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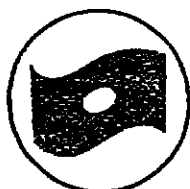
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Summary of Balance Sheet as at December 31st, 1977 from accounts submitted to the shareholders' meeting, to be held today, April 13th, 1978.

| Assets | FF. '000 | Liabilities | FF. '000 |
|--|-----------|---|------------|
| Due from banks, money market, treasury bills and other short term assets | 4,594,366 | Deposits | 9,281,193 |
| Advances to customers | 4,880,989 | Liability for acceptances | 341,581 |
| Customers' acceptances | 341,581 | Other liabilities inc. accruals, sundry creditors | 1,194,163 |
| Other assets inc. accruals, sundry debtors | 998,783 | Long term debt | 95,544 |
| Investments | 502,819 | Capital | 205,368 |
| Fixed assets | 48,365 | Reserves and retained surplus | 187,915 |
| | | Net profit for the year after taxation | 71,151 |
| | | | 11,366,905 |

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Signs of recovery in Italian industrial production

By Paul Setts

ROME, April 12. THERE ARE now tentative, albeit disputed, signs of some recovery in Italy's industrial production following the general decline since last spring. Despite the latest monthly report of the official statistics bureau, Istat, showing a 6 per cent decline in output in February compared to the same month the year before, the Banca Commerciale Italiana (Comit) index effectively points to a small recovery of 1.7 per cent on January this year.

The conflicting figures are provoking a fierce controversy here over the present state of the country's economic performance. However, according to the official institute for economic affairs, Istat, there is now the "promise of a fragile economic turnaround." The institute claims that this is the result of a revival in internal consumer demand, in part a result of an increase in pensions last year.

The recovery could be further consolidated by the middle of the year if there are no increases in taxation and tariffs which could provoke a drop in internal demand. At the same time, a seasonal increase in imports is now expected as a result of general restocking by industry and wholesalers.

Yet the very fragile nature of the recovery is reflected by the continuing fall of investments and the overall low rate of plant productivity. But there are also signs of a reduction in inflation currently increasing at a monthly rate of 1 per cent, according to the official statistics bureau. Last month's 1 per cent increase over the previous month means that the inflation rate on an annual basis amounted to 12.5 per cent as against the official target of 13 per cent in the year to mid-March last.

The new minority government of Sig. Giulio Andreotti has now indicated that it intends to see the country's growth rate increase by 4.5 per cent by the last quarter of this year, after having successfully brought back Italy's balance of payments on current account in equilibrium.

However, there is still considerable concern over the continuing increase in unemployment and the acute financial and structural problems of several major private, but principally state sector industries, like chemicals and steel. These problems effectively overshadow the current and disputed signs of a possible recovery in output.

Italy deputies debate freer abortion laws

ROME, April 12.

ITALY'S CHAMBER OF Deputies was still discussing to-day a Bill easing the country's strict abortion laws after it rejected a move by the ruling Christian Democrats to block the proposed legislation.

A motion by the Christian Democrats to halt all debate on the Bill which would give women the right to abortion within the first three months of pregnancy, was thrown out by an alliance of Communists, Socialists and three smaller parties.

The Bill is now expected to be passed by the Chamber of Deputies (Lower House) later this week and then go to the Senate.

Abortion is allowed at present in Italy only in cases where childbearing could seriously endanger a woman's health or that of the unborn child. Reuter

EUROPEAN NEWS

Terrorist barred from own trial

AN URBAN guerrilla charged with kidnapping leading conservative politician Herr Peter Lorenz, was excluded from his own trial here to-day after calling the judge a pig.

Ralf Reinders, one of six defendants, was taken back to his cell and told he would not be allowed to attend the rest of to-day's hearing. Presiding Judge Friedrich Geis made the ruling on the second day of the trial after Reinders, 29, shouted at him: "You're a pig."

The six self-styled urban guerrillas are accused of kidnapping Herr Lorenz in February, 1975, and murdering Berlin's Chief Judge Guenter von Drenkmann in November, 1974. They have been described by the prosecution as

leading members of the Left-wing "Second of June Movement."

Herr Lorenz, chairman of the Christian Democratic Party (CDU) in West Berlin, was held in a cellar for six days before being released in exchange for the freedom of five German radicals who were flown to South Yemen.

Yesterday's opening session was interrupted twice while the court considered defence objections to heavy security measures surrounding the trial, the most important, a search hearing in Germany's state of hard-core leaders of the Baader-Meinhof group were jailed for life in Stuttgart a year ago.

Judge Geis overruled the

WEST BERLIN, April 12.

objections, which included complaints that armed police patrolled the courtroom and that warders were posted to eavesdrop on conversations between the defendants and their attorneys.

At the start of to-day's hearing, the judge rejected applications from three court-appointed defence counsel to be relieved of their duties. The lawyers said they had been unable to prepare their case properly because their clients, Reinders and Ronald Fritzsche, had assaulted them in their cells.

More than 600 witnesses have been called to give evidence in the trial, which is expected to last for more than a year. Reuter



Herr Schleyer

WEST GERMANY AND TERRORISM

Edging towards security

BY JONATHAN CARR IN BONN

ALMOST EXACTLY six months after the murder of Dr. Siegfried Dr. Hanns Martin Schleyer, the Bundestag to-day, takes a final vote on new measures to help to combat terrorism. It looks like being a cliff-hanger. Members of the opposition parties oppose the measures on the grounds that they are too weak and a handful of deputies on the Government side fear that they might undermine basic freedoms. But it is generally expected that the vote will go in favour and that there will thus be no further obstacle to the measures becoming law.

Will the West German population therefore feel markedly more secure? It seems doubtful. Under the new measures police powers of search: Further, a glass barrier may be erected between a lawyer and a jailed client suspected of terrorism to prevent them exchanging objects (such as weapons). And courts have been refused altogether if they are suspected of criminal collaboration. These hardly represent a big leap forward to greater security nor, with all respect for the honest reservations of some deputies, do they appear to mark a move back towards repression.

Will there be public pressure for yet tougher action—as the opposition demands—against those who have declared war on society? A new terrorist attack would no doubt change the picture, but at present there is little sign of such pressure. The public has already been given a classic demonstration that new laws in themselves may not be of much help. Jailed terrorists late last year were clearly able to maintain contact with the outside world despite a hastily-passed law intended to stop them doing precisely that.

Since then it has emerged that shortly after Dr. Schleyer's capture, the police received a tip off which had led them straight to the spot where he was being held. They failed to do so because of an extraordinary confusion of competence between local, state and Federal authorities. It is currently under investigation and the result could have political consequences.

The lessons emerging are: First, that existing laws should be properly applied before consideration is given to passing further-reaching legislation; Second, that there is much scope for better co-ordination between police authorities. How far this co-ordination may go without leading to too great a centralisation of power is a problem over which many Germans, with the Nazi era in mind, worry about constantly. Meanwhile there is widespread irritation with

foreign critics who on one hand suggest that the Federal Republic is a repressive society and on the other scorn German inefficiency in catching terrorists. Sensitivity to foreign criticism and argument over repressed authority are, of course, new elements in German life. The fact is that despite a running debate over the kinds

in Stuttgart-Stammheim Jail and the murder of Dr. Schleyer. He is also shown ejecting a visitor who does not recognise, evidently afraid he might be accused of harbouring a terrorist or terrorist "sympathiser."

The element of compassion is there too. The Mayor of Stuttgart, Dr. Manfred Rummel, is shown defending his decision to

see that the three who committed suicide at Stammheim received a proper burial, despite local suggestions that the bodies should be thrown into a sewage works. And there are scenes of scuffles near the graveside, of spectators hiding their faces to avoid identification, of mounted police in the background, their uniforms blending with the autumn colours of the surrounding forest.

The contrast could hardly be stronger between the events filmed and the normal life of the cities in which the film is being shown. The packed restaurants and shops which always seem to give the lie to the statistical fact of the generally reluctant German consumer, the young queuing to get into discotheques, the talk about German

prospects in the World Cup if hardly adds up to a scene in a state of fear. These, of course, the aspects of German life which hardly emerge in the political debate or, indeed, in commentary.

But for the vast majority of Germans there is what is, murder of Dr. Schleyer was grotesque aberration, a night mare.

It would be wrong to suggest that no one is bothered by it what the root causes of terrorism might be. Over the past 18 months in particular, innumerable articles and speeches have been devoted to the topic. Some suggest that a moral vacuum, the core of the consumer society to blame. Some say that it is the big turn-out at election time, the Germans have not developed a truly democratic instinct and that terrorism is an extreme example of a much general social attitude. Some claim that there is a "fatal flaw" in the German character, which terrorism is one concrete manifestation—though less has been heard of this since the spotlight turned on the activities of a terrorist "Red Brigade" in Italy.

Whatever the truth—and it is one theory—the point is that debate is now going on in more relaxed atmosphere. In mood of Germany in Spring, not that of Germany in Autumn. And the relatively restrained anti-terrorist measures now in force the Bundestag—where the young queuing to get into discotheques, the talk about German

mental causes of terrorism, German life has largely returned to normal after the feverish weeks of last September and October.

A reminder of just how far the atmosphere has changed is given by a striking new film currently playing in major German cities. Called "Deutschland im Herbst" ("Germany in Autumn") it is a half-documentary, half-fictional depiction of life at the time of the kidnapping of Dr. Schleyer, but together with some of the country's leading film producers and writers. It captures well the often hysterical and finally exhausting mood of the time. One film-maker shows how his private work-ground to reluctant German consumers, the public events, the Lufthansa jet hijacking, the terrorist suicides

see that the three who committed suicide at Stammheim received a proper burial, despite local suggestions that the bodies should be thrown into a sewage works. And there are scenes of scuffles near the graveside, of spectators hiding their faces to avoid identification, of mounted police in the background, their uniforms blending with the autumn colours of the surrounding forest.

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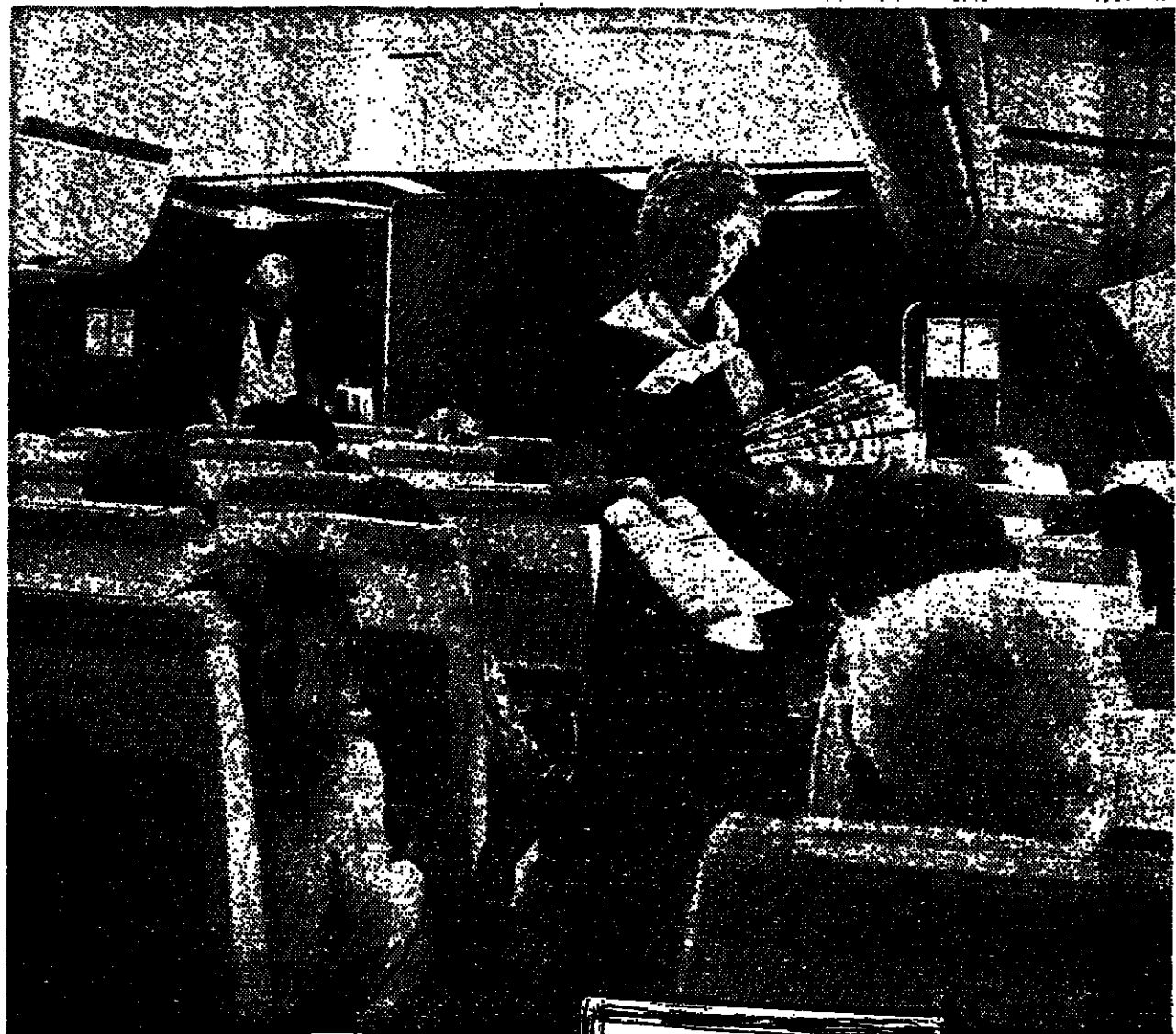
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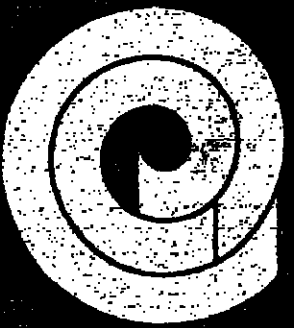
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W. German public sector settles for 4.5% rise

BY ADRIAN DICKS

BONN, April 12.

WEST GERMAN Government hopes of holding this year's increase in earnings down to 4.5 per cent may just be borne out by the conclusion of this morning's new pay round for 2.2m. workers in the public sector — the greatest over which it has the direct grip.

After a marathon negotiating session in Stuttgart, the committee of federal, State and local government officials led by Herr Werner Maihofer, the Interior Minister, agreed to a 4.5 per cent increase in wages and salaries, plus two extra days holiday for the two lowest income categories in the public sector.

This figure led Herr Maihofer to describe the deal as being comfortably below the 5 per cent now accepted in most of the bargaining regions of the state-working and engineering industry. However, only a few weeks ago Herr Maihofer had asked the cost of each extra day's holiday at an additional 0.4 per cent on the wage bill. So no extra days would, by this reckoning, put the true cost of a settlement closer to 5.3 per cent.

When the Economics Ministry in January set 5.5 per cent as a desirable upper limit for rises in 1978, it carefully pointed out that because of overtime and other factors, new

contracts on nominal wage rates ought to be set below this figure. In keeping with the Government's tradition of not interfering with bargaining, however, no precise target for wage increases was named.

Count Otto Lambsdorff, the Economics Minister, who described the metal industry deal as "barely acceptable," has also warned that higher settlements in some industries would mean that others would have to make do with less.

Although the public services and metal contracts normally set the pace for the rest of the state and private sectors respectively, the management of West German railways (the Bundesbahn) appeared today to be taking Count Lambsdorff's warning literally when it refused to adopt last night's deal for the 175,000 railway workers and staff. Negotiations for the industry were officially declared to be blocked this afternoon.

Such has also been the reaction of many private employers to the norms set this year. The Bundesbahn, for its part, emphasised in its economic forecasts in January that too high a rate of wage increases would be more likely than any other single factor to endanger the prospect of 3.5 per cent growth in Gross National Product which it hopes to see in 1978.

Owen praises U.S. deferral of neutron bomb

BY REGINALD DALE

DR. DAVID OWEN, the British Foreign Secretary, yesterday praised President Carter's controversial decision to defer production of the neutron bomb as a responsible and understandable move that should lead to significant progress in East-West disarmament negotiations before the end of the year.

In an optimistic statement to a meeting of non-Governmental organisations at the Foreign Office, Dr. Owen said he was confident that Washington and Moscow would soon finalise a

new, improved strategic arms limitation agreement (SALT II). There were good prospects for the conclusion of a comprehensive nuclear test ban treaty between the U.S. and the USSR and the U.S. and a possibility that serious negotiations would at last start at the long-stalled East-West force reduction talks in Vienna (MBFR).

If progress could be achieved in all three fields, it would have to be seen in the light of President Carter's decision on the neutron bomb, Dr. Owen

said. He hoped that the Soviet Union would now look seriously at some of the West's major concerns, particularly the Warsaw Pact's tank superiority in central Europe. Dr. Owen said it was not true that U.S.-Soviet relations had reached a crisis point. There were differences of perception and view, but they were clearly reconcilable.

The prospects for disarmament in the light of the neutron bomb decision are likely to be discussed during the forthcoming visit to London

by Mr. Harold Brown, the U.S. Defence Secretary. Dr. Brown, who arrives in London from Bonn tomorrow, is to meet Mr. James Callaghan, the Prime Minister, and Mr. Fred Mulley, the Minister of Defence, on Monday, before leaving for the NATO Nuclear Planning Group meeting in Denmark.

Mr. Mulley's main intention, however, will be to discuss options for future British equipment purchases, most notably replacements for the Chief tank and the Jaguar and Harrier aircraft. Mr.

Mulley also hopes to be briefed by Mr. Brown on the latest technical conclusions the U.S. have drawn from tests on their Cruise missile.

The annual Ministerial Council of the Central Treaty Organisation (CENTO) will be held in London on April 19 and 20. The visit to Moscow planned by Mr. Cyrus Vance, U.S. Secretary of State, has led to the meeting being relocated from Washington. The Foreign Ministers of Britain, the U.S., Turkey, Iran and Pakistan are due to be present.

Shop-floor Marxism feared in Spain

By Robert Graham

MADRID, April 12.

A PROPOSED new law which would allow works councils a greater say in the running of factories has aroused a storm of protest among industrialists and bankers here. The proposals are regarded by the Confederation of Spanish Industry as little short of introducing Marxist principles to the shop floor.

Controversy centres round Article Nine of the proposed law. If approved, it would allow works councils the right to regular information on company activities, permit monitoring of all wage and work agreements, and would confer rights over control of health and work safety and levels of employment.

The new rights were proposed by Socialist members of the drafting committee but were approved by members from the ruling Union de Centro Democrático (UCD), apparently without objection. It was accepted that Spanish laws on the rights of workers are out of line with the rest of Europe and the Socialist proposals were modelled on practice in the European Community.

The Confederation of Spanish Industry argues that the measures would mean an end to free enterprise in Spain. The UCD has also been embarrassed by the opposition from the mainstream of its supporters.

The unions complain that opposition to the proposals is a propaganda exercise by the employers to inhibit the development of union rights.

Most observers do not believe that the proposals will be passed by Parliament in the present form. Clearly the Government has seriously misjudged the mood of management over trade union power.

The predominant management view appears to be that even if unions elsewhere enjoy such rights as are now proposed, Spain is in no mood to let trade union power increase. Union activity was only legalised a year ago and most managements are unfamiliar with the concept of union rights.

Swedish probe into industry

By William Dufforce

STOCKHOLM, April 12.

MR. THORBJÖRN FALLDIN, the Swedish Prime Minister, has appointed a nine-man committee to investigate the future of Swedish industry. It is hoped that by the end of the year it will put forward ideas on how company activity can be stimulated, fresh markets opened up, and new products developed.

The background to the move is the decline in Swedish industry's share of export markets over the past two years and the retrenchment which has been forced on once flourishing sectors like steel and shipbuilding. The committee has been given a very broad brief and a free hand to decide for itself what problems to examine first.

Meanwhile, Mr. Falldin has arrived in Warsaw on a four-day official visit, his first outside the Nordic bloc since he took office in 1976. He is expected to sign a new trade agreement with Poland.



Dr. David Owen

Schmidt spells out Bonn's terms

BY JONATHAN CARR

BONN, April 12.

CHANCELLOR SCHMIDT has spelled out publicly for the first time the conditions under which West Germany would be prepared to have the neutron bomb deployed on its territory.

The conditions are that the decision on deployment should be taken by the Atlantic Alliance as a whole and that the bomb should not be placed on West German territory alone. Herr Schmidt stressed to the Parliamentary group of his Social Democratic Party that this position had not changed since January.

Details of the Chancellor's remarks were released here on the eve of a visit to Bonn by the U.S. Defence Secretary, Mr.

Harold Brown, and of a Government declaration by Herr Schmidt covering NATO and European Community affairs.

The strength of the Bonn-Washington alliance has been widely questioned here, in particular since the apparent vacillation of President Carter over whether or not to produce the neutron bomb. It has been suggested that the President felt that too little support was forthcoming from Europe, and that he was expected to go ahead with production without agreement from the Europeans on eventual deployment.

But Herr Schmidt's reference to January implies that Bonn, at least, had made its readiness

for eventual deployment clear to the President, even if the full position had not been made public.

Herr Schmidt repeated Bonn's known stance: that the decision on production was one for the Americans alone. Herr Schmidt added that West Germany was not a nuclear weapons State and did not want to become one by the back door.

The neutron bomb is likely to be discussed to-morrow by Mr. Brown and the West German Defence Minister, Herr Hans Apel. Another key issue will be the American airborne warning and control system (AWACS), which is intended to give earlier signal of enemy attack.



Herr Helmut Schmidt

Tindemans pledge on deficit

By David Buchan

BRUSSELS, April 12.

PRIME MINISTER Leo Tindemans today promised Parliament that the 1978 current budget deficit would not rise above B.Fr.65bn. (just over £1bn.) and pledged that next year public spending would increase at a slower rate than the estimated rise in gross national product.

Mr. Tindemans said he would also be presenting to Parliament major proposals for the reform of state finance by the end of May.

Belgium, as the Prime Minister reminded MPs, still has a falling inflation rate (below 0 per cent) and a strong currency. But Mr. Tindemans made it clear today that concern over burgeoning state borrowing ruled out any specific Belgian reflationary measures of the kind that he and his fellow heads of Government had collectively endorsed at last week's Copenhagen EEC summit.

Mr. Tindemans said that there were now about 85,000 unemployed or double the number at the same time last year, who are in special Government work programmes. But by and large the Government seems to be relying on lower interest rates following the recent cut in the national bank discount rate to 5.5 per cent—the lowest level for several years—to do the trick in reviving investment and creating jobs.

This year's current deficit to which must be added a much larger capital account deficit to finance B.Fr.205bn. worth of public investment — has been kept at B.Fr.65bn. by cuts in Government expenditure.

JENKINS OPTIMISTIC ABOUT CURRENCY PROBLEMS

Nine united on need to take action

BY GUY DE JONQUIERES

LUXEMBOURG, April 12.

THE EEC has entered a "new period of opportunity" for finding solutions to its most pressing economic and monetary problems following last week-end's talks between heads of the nine Common Market governments in Copenhagen.

Mr. Roy Jenkins, President of the European Commission, said today.

He told the European Parliament that the discussions, which focused predominantly on ways of stabilising currency movements through closer EEC monetary co-operation, had set in motion "a great intellectual movement in the log-jam from which we have suffered for some time past."

His optimistic tone was shared by Mr. R. B. Andersen, Danish Foreign Minister and current president of the EEC Council of Ministers, who said that the Nine had never before been so fully in agreement on the need to take action.

Both men cautioned, however, that no conclusive decisions had been reached in Copenhagen

and that much intensive work would be needed if the EEC were to produce concrete results in time for the seven-nation Western economic summit to be held in Bonn in mid-July.

While details of the Copenhagen talks remain secret, there are growing indications that Chancellor Helmut Schmidt, of West Germany, took an unexpectedly active part in encouraging his colleagues to undertake a fundamental re-examination of the factors underlying the present currency malaise.

Though apparently still sceptical about the feasibility of full monetary union, he is believed ready to consider seriously steps which the EEC might take on its own to restore a more stable exchange rate system, whether or not the U.S. agrees to tackle the problems caused by the dollar's steep decline.

Herr Schmidt appears to have moved significantly closer to the views of President Giscard d'Estaing. The French President has argued recently that

a major reason for the EEC's failure to match the growth rates of the U.S. and Japan has been its affliction with internal exchange rate turbulence, and has talked of the need to establish a Community currency "zone."

Mr. James Callaghan, the U.K. Prime Minister, has remained decidedly sceptical in the face of this entente, however. This may be partly because he went to Copenhagen expecting to discuss ways of boosting economic growth and was unprepared for such a far-reaching debate on currency questions.

But he has also made clear that he believes the root causes of currency instability can only be dealt with effectively in the wider framework of the International Monetary Fund and must involve U.S. co-operation.

It appears clear that if the EEC is to make much progress towards a "common strategy" before the Bonn summit, a way must be found to bridge the gap between Mr. Callaghan's insistence that reflation be given the first priority and Herr Schmidt's over-

riding preoccupation with exchange rate problems. This is likely to prove a sensitive task, depending at least as much on the two leaders' personal relations as on the nature of concrete proposals put to them. There is a risk, as one senior official put it, that this could be a case of ships passing in the night.

One point on which all nine leaders appear to agree is that the currency snake should remain intact in any future EEC exchange rate arrangements, and that it is not practical at present to enlarge its membership to include freely floating EEC currencies like sterling and the French franc.

One idea which appears to have attracted considerable interest in Copenhagen would be to use the European unit of account—which is defined in terms of a "basket" of EEC currencies—as a means of settlement between European central banks.

Such a system would greatly reduce the use of dollars as the main medium for central bank repayments. At a later stage, units of account might also be used to intervene on foreign exchange markets, though this would imply their acceptance as a reserve asset by countries outside the EEC.

An underlying assumption in any new currency arrangements is that there would have to be concerted action to control exchange rate movements. But, so far, there appears to be no agreement on how strictly the margins of fluctuation of EEC currencies should be defined, nor on the techniques for financing of the market intervention which would be needed to maintain them.

Waldheim to be given Cyprus proposals

BY METIN MUNIR

VIENNA, April 12.

A TURKISH DELEGATION is arriving here to-night with fresh proposals but little hope for a settlement of the dispute in Cyprus between the island's Greek and Turkish communities.

Details of the plan, which will be handed to UN Secretary-General Kurt Waldheim, have not been released but it is known that the Turkish side will put forward for the

first time concrete proposals on both the territorial and constitutional aspects of the dispute. It is understood that the complete constitution has been drafted to establish a federation between the communities and that a new demarcation line will be proposed under which some land would be returned to the Greek side from the Turkish-occupied north of the island.

Reuter reports from Ankara: Turkey to-day described as unjustified Greece's decision yesterday to postpone the talks that were to begin on Friday on the issues dividing the two countries.

A Foreign Ministry statement said: "As far as the Turkish side is concerned, there has been no recent developments in Turkish-Greek relations to justify the postponement."

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OVERSEAS NEWS

Cambodia claims to have repulsed Vietnam invasion

BY RICHARD NATIONS

CAMBODIA YESTERDAY claimed a major new invasion by "several" Vietnamese divisions backed by artillery and armour was launched last Friday. Radio Phnom Penh said that the Khmer forces repelled the invaders, killing 560 Vietnamese troops and destroying 20 tanks.

Although there have been clear signs recently of a significant Vietnamese military build-up along the length of the Cambodian border, observers contacted by telephone in Bangkok viewed some of the Cambodian claims with considerable scepticism.

Western diplomatic sources say that fresh Vietnamese units have been mobilised thus raising Hanoi's troop strength to over 100,000 along its common border with Cambodia. There have also

been reports of air alerts recently which one well informed Washington diplomatic source claims "almost invariably precedes a major military move by Vietnam." Some Washington Indo-China observers have been anticipating a Vietnamese push would begin on or about the Cambodian new year which begins tomorrow.

But diplomats doubt that the long predicted "dry season offensive" against Cambodia has actually begun. Although Khmer raids into Vietnam's sensitive southern provinces continue to irritate Hanoi, observers doubt whether the Vietnamese are yet fully prepared for, or committed to, an all out drive to bring down the Phnom Penh leadership. Anything short of a drive on

Phnom Penh is unlikely to affect the power structure there as long as no significant divisions appear in the Cambodian ranks. A full-scale drive on Phnom Penh, however, would place the Vietnamese in a bad light diplomatically throughout the rest of the region.

Moreover, for the moment, Hanoi appears to be occupied with a new domestic campaign to "transform capitalist traders" and replace them with trading co-operatives and state stores.

Although the campaign is unlikely to lead to abrupt economic dislocation, some observers feel Hanoi would like to get the first phases of what is bound to be a delicate transition out of the way before opening a new military drive.

Damascus blames Israel for road deaths

By Anthony McDermott

SYRIA yesterday accused Israel of having planted a listening device near the Damascus-Dera road leading to Jordan, which had exploded on April 1 when army experts attempted to dismantle it. An official communiqué claimed radio-active particles had been given off in the explosion.

Nine soldiers and three civilians were reported to have been killed in the explosion when it was originally reported by Damascus Radio on April 2. It was noticeable that no less than three colonels were among the soldiers killed. The Government-run radio at the time spoke of "booby-trapped mines and high explosive materials" and said Syria had complained to the command of the UN Disengagement Observation Force (UNDOF) about Israel having violated the 1974 agreement and having penetrated the disengagement zone to plant these mines. A spokesman of the Israeli armed forces denied these accusations.

Yesterday's official communiqué in Damascus said that the purpose of the American-made listening device had been to monitor telephone communications between Syria and Jordan and that it had been discovered not more than five days after its initial installation.

Ihsan Hilazi adds from Beirut: Syrian troops of the Arab peace-keeping force to-day used rocket launchers, tanks and heavy machine guns to suppress rival Christian and Muslim militia who have been fighting for the past four days in two Beirut suburbs.

The forces resorted to stronger fire power after a truce arranged last night broke down and the factional clashes resumed.

The Syrians had brought in reinforcements which were posted along a half-mile road dividing the predominantly Christian quarters Ain Rummaneh and the predominantly Muslim neighbourhood of Chiyah.

Apartment buildings in Chiyah and Ain Rummaneh where snipers were believed to be hiding, took direct hits, according to eye-witnesses.

Police sources put casualties at 23 killed and about a 100 injured. Two Syrian soldiers and three Syrians were among the dead, the sources said.

Meanwhile, an Israeli soldier was killed in a clash with a Palestinian guerrilla band in the western sector of south Lebanon, the military command said to-day in Tel Aviv.

COMMONWEALTH MINISTERS MEET TO-DAY

Broker on the Common Fund

BY DAVID HOUSEGO

THE GATHERING of Commonwealth Ministers in London to-day comes at a time when there has been a marked improvement in the prospects for setting up the proposed Common Fund to stabilise commodity prices.

Since the breakdown in negotiations in Geneva in November between developing and industrialised nations on the shape of the Fund, Mr. Gamani Corea, the UNCTAD Secretary-General, has been touring Western capitals and the major developing countries to see what might be salvaged from the wreckage. His soundings suggest that a compromise is possible.

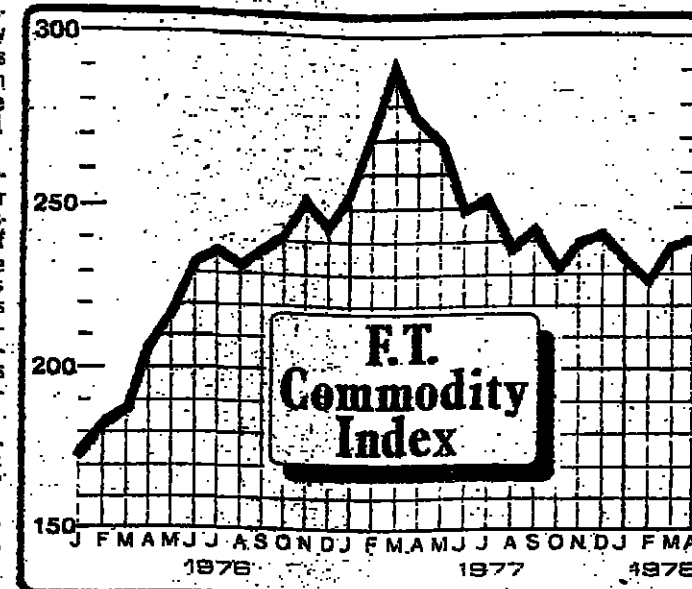
The Commonwealth Ministers, representing a broad spectrum of international opinion, now hope to play the part of honest broker and nudge the two sides closer together. Their meeting had been scheduled for earlier this year but was postponed when there seemed no way out of the deadlock. The fact that it is now taking place is itself a sign of advance.

The apparent consensus that the gathering suggests, none the less conceals a great deal of bitterness in the Third World. They believe that the type of Fund likely to emerge—almost the only tangible achievement of the four years of the North/South dialogue—will have little substance.

Primary commodities account for nearly two-thirds of the export earnings of developing countries—more if oil is included. On the basis of U.N. figures the terms of trade between commodities and manufactured goods have been moving against commodities by about 2 per cent a year on average since the boom of the Korean war and are likely to continue to decline until the early 1980s at least.

The FT sterling commodity index is down 13 per cent on a year ago and 33 per cent on April, 1976 (see chart). This is showing up in falling export earnings for developing countries and particularly for those economies—Jamaica and Zambia, for example, among Commonwealth members—highly dependent on a single product. The sugar or copper in the present depressed conditions of world trade there is little hope of making up the shortfall in commodity earnings by increased exports of manufactured goods.

In the light of the importance of commodity earnings in their economic planning, the Third World nations had hoped that the Common Fund would be a new international institution—a sister organisation to the World Bank or the IMF—to oversee the commodity markets, strengthen



their bargaining power and secure for them a transfer of resources. This approach was incorporated into the Integrated Programme for Commodities (IPC) put forward by developing countries in 1976 to cover 18 major products and which also included proposals for commodity diversification, improved marketing and measures of interest to the poorest nations.

The weakness of the Third World position has always been that there have been too many demands strapping the plank in an effort to reconcile the often conflicting interests of the Latin Americans, the Africans, the Asians and the OPEC countries. There was no chance that the West could swallow it whole.

The debate has persuaded many Western Governments that major Western commodity markets would figure high in resumed economic losses through a rather effect on prices and employment. Thus the main concession made by the West so far, in an attempt to secure more stable prices has been the offer that consumer nations should share with producers the cost of financial buffer stocks to mutually acceptable commodity agreements. But apart from sugar and rubber there has been scant progress in getting over the first hurdle in negotiating such agreements.

The shape of the Common Fund now under discussion is a limited financial facility that would offer some capital savings to individual commodity organisations (ICOs) to their buffer stocking operations. This would be achieved partly through offsetting arrangements—fixing out cyclical swings through the Fund buying commodities whose prices had fallen with the cash realised by sales of those whose price was rising. And partly too through the Fund's capability to borrow more cheaply in international markets.

As envisaged by the industrialised nations it would obtain most of its funds from deposits made with it by individual commodity organisations. It would not be able to intervene in the commodity markets and would respect the autonomy of commodity associations. To the disappointment of developing nations it would in practice have

little catalytic effect in promoting new commodity agreements. It is unlikely to embrace more than a handful of commodities—tin, rubber, coffee, cocoa, jute, tea and possibly copper.

The main items for discussion among the Commonwealth ministers are the topics that would figure high in resumed negotiations between developing and industrialised countries which could occur in July of later this year. They are:

1—Deposit ratios. The West is backing down from its original position that commodity organisations would have to place 75 per cent of their cash with the fund. Producer nations are arguing for 30 per cent, saying this would require less capital at the outset.

2—Other measures. Developing nations are pressing hard for a second window to help the poorest nations. The West is willing to concede this if its framework for the fund is accepted.

3—Capital structure. Developing nations want the fund to have a seed capital of direct contributions from governments to preserve its character as a multilateral institution. The West is only willing to consider contributing to office expenses.

Britain has taken the lead in formulating the EEC's position over the Fund and has gained the reputation of being one of the "hardline" countries. Thus the Commonwealth meeting is seen by British officials as a chance to present their case. It could also prove an embarrassment if some of the more important African states demonstrated their hostility to the compromise now being worked out.

The apparent readiness of the South-East Asian nations and the Latin American states (particularly the tin and rubber producers) to accept the revised model of the Fund indicates both more flexibility among developing states and a shift towards recognising that they have divergent interests.

On the West's side, the dilemma now is that having played tough over commodity trade, it will be harder to keep out developing country exports of manufactured goods without undermining their ability to repay their debts which built large in the books of the major international banks. The major issue of trade and monetary flows is now the crucial point in the dialogue between North and South.

Gandhi's party recognised

FORMER Prime Minister Mrs. Indira Gandhi's breakaway faction of the long-time ruling Congress Party has been recognised as the official opposition in India, Reuter reports from New Delhi.

The Lok Sabha, lower house of Parliament, accorded her party official status as the main opposition. The Rajya Sabha (Upper House) had already recognised the Indira Congress Party as the official opposition.

Polisario claims 400 enemy dead

POLISARIO Front guerrillas fighting for an independent western Sahara against Morocco and Mauritania said they killed more than 400 enemy troops last month, Reuter reports from Algiers.

A communiqué carried by the Algerie Presse Service news agency said the Front also freed some 400 local people held by "the occupation troops" and took the village of Bir Lahlou.

IEA meeting

THE International Energy Agency (IEA) opened a two-day Board meeting here yesterday to review energy conservation policies and new energy development projects, according to Reuter in Tokyo.

Nimairi signs peace deal with right-wing

BY JAMES BUXTON

THE MAJOR Right-wing group which has staged coup attempts against President Nimairi of Sudan is to dismantle its guerrilla training camps and hand over its arms and equipment to the Sudanese army.

The opposition group, the National Front, announced in London yesterday that it will dissolve itself after reaching a public agreement with President Jafar Mohammed Nimairi's Government.

The agreement is a major step to completing the process whereby President Nimairi has been seeking reconciliation with the Right-wing groups which have tried to overthrow him.

Last September, one of the two leaders of the National Front, Mr. Sadiq el Mahdi, a former Prime Minister, returned to

Khartoum after reaching an understanding with President Nimairi and began a series of negotiations which led to some political changes in the country, including the release of a number of political prisoners and the holding in February of free elections than had been staged before under President Nimairi.

But substantial components of the National Front, led by Mr. Sherif el Hindi, a former Finance Minister, did not accept the reconciliation as arranged by Mr. Sadiq el Mahdi.

Yesterday, after seven days of intensive secret negotiations in London, a formal agreement was announced. It codifies in print many of the issues on which Mr. Sadiq el Mahdi may only have secured understandings from President Nimairi.

Backing for Matanzima

BY QUENTIN PEEL

CHIEF KAISER Matanzima, the Transkei Prime Minister, won some grudging support to-day for his break in diplomatic relations with South Africa, as Mr. John Vorster, his South African counterpart, was criticised for not reacting forcefully enough. Support for Chief Matanzima came from members of the opposition groups in the Transkei

National Assembly, including 16 members who recently defected from his own Transkei National Independence Party. Another member, Dr. Cedric Phatudi, the Chief Minister of Lebowa, said he believed that Chief Matanzima had the right to demand the land he was owed by the South African Government.

JOHANNESBURG, April 12. National Assembly, including 16 members who recently defected from his own Transkei National Independence Party. Another member, Dr. Cedric Phatudi, the Chief Minister of Lebowa, said he believed that Chief Matanzima had the right to demand the land he was owed by the South African Government.

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AMERICAN NEWS

Boeing seeks U.K. ruling on 737 order by next week

BY MICHAEL DONNE

SEATTLE, April 12.

BOEING OF THE U.S. would like British Airways to state by next week whether or not it intends to buy 20 Boeing 737 short-range jet airliners, worth about £120m. (\$240m.).

This is not an ultimatum by Boeing but stems from the company's desire to establish as far in advance as possible its likely future work programme so that it can ensure smooth production flows from sub-contractors to the assembly line at Renton near Seattle.

Demand for the Boeing 737 short-range jet airliner is now so great that Boeing's output for the rest of this year and 1979 is sold out. The company is now planning its production for 1980.

To meet the demand for the 737, Boeing is planning to raise its output from three aircraft a month to four a month by June of this year, to five a month by November and to seven a month by next March. Production could go even higher, perhaps to 10 aircraft a month, by early 1980 depending upon the extent of airline demand.

The British Airways order, if approved by the U.K. Government, would account for such a large part of total Boeing 737 production in 1980 that the manufacturer wants to earmark slots on the production line at its Renton factory well in advance. If British Airways for political reasons cannot give a decision by a "preliminary notification of intention to proceed," it risks losing those production slots to other Boeing 737 customers and delaying delivery of its aircraft until later in 1980.

NY death penalty vetoed

BY JOHN WYLES

NEW YORK, April 12.

GOVERNOR HUGH CAREY of New York yesterday bravely confronted his state legislature and a sizeable body of public opinion by vetoing a Bill to restore the death penalty.

This move would create some political storm at any time but the fallout could be even greater now since this is a gubernatorial election year in New York and public sentiment has been inflamed by the murder last week of two New York policemen.

The two Republicans who are seeking their party's nomination to challenge Governor Carey in the autumn, State Senator Warren Anderson and Assembly

man Perry Duryea, have campaigned for death penalty legislation and will be leading attempts in both Houses of the State assembly to secure the two-thirds majorities necessary to override the Governor's veto.

New York State's existing legislation was declared unconstitutional last November and the controversial new legislation was sent to the Governor ten days ago. In his message to the legislature, Governor Carey took his stand on moral grounds.

"I do not believe that the state should take life because the criminal has done so"—and on the argument that there is no evidence that the death penalty is an effective deterrent.

Confidence in Carter's economic skill eroded

By David Bell

WASHINGTON, April 12.

PUBLIC CONFIDENCE in President Carter's ability to deal with the economic problems of the U.S. has eroded rapidly according to a new poll which indicates that most Americans expect the situation to worsen.

According to a CBS-New York Times poll, only 32 per cent of the people approve of Mr. Carter's handling of the economy. Even among those who voted for him in 1976 a small but clear majority disapprove of his approach to economic problems.

The poll shows that for most Americans the economic situation is as always, the major villain and 45 per cent of those polled said that they expected it to get worse. The poll was taken before Mr. Carter's anti-inflation speech yesterday but it is unlikely that this will have made much difference to the public perception.

Only 5 per cent of those polled said that unemployment is a major problem and Mr. Carter thus gets little or no credit for a year in which the unemployment rate has fallen by nearly two percentage points. Sixty-three per cent of those questioned say that not only is inflation the major issue but that it will worsen significantly.

Unless the Administration can change this pessimistic view of events, Mr. Carter faces trouble on at least two fronts. Politically it can do him nothing but harm especially since he made a particular issue of the need to improve the economic situation in his election campaign and it is the issue on which most elections turn.

But the perception that inflation will get worse—one-third of those questioned predicted double digit inflation within a year—also poses severe economic problems. The belief that prices are going to rise can all too easily feed on itself encouraging unions to press for higher wages and companies to push up prices in a self-defeating cycle.

U.S. COMPANY NEWS

New products boost Burroughs; Major banks report first-quarter profits well ahead; Control Data well set

IT WAS one of the largest political demonstrations ever staged in Santo Domingo and the streets of Christopher Columbus's old city were blocked with a crowd of 200,000 for hours. The reason at first glance was bizarre. The people turning out in the capital of the Dominican Republic last month were greeting the Prime Minister of Portugal. The event however had much more significance than the celebration of the rather tenuous concept of Dominican-Portuguese relations. Sr. Mario Soares, the Portuguese leader, was in fact heading a political mission of great importance: the first high-level embassy sent to Latin America by the Socialist International, the grouping of the world's labour and social democratic parties.

The Socialist International has existed in different forms since it was first founded by Karl Marx in 1848, but has long since put aside any exclusive commitment to Marxism. Its members include such disparate bodies as the British, Irish and Israeli Labour Parties and the French, Italian, Portuguese and Japanese Socialist Parties.

Its purpose is not to set out policies for member parties to follow, like some latter day Comintern, but rather, in its own words, "to strengthen relations between affiliated parties and to co-ordinate their political attitudes by consent."

From its inception the SI tended to be European oriented. From its headquarters over a shop in St. John's Wood High Street in London it concentrated the bulk of its effort for years on

THE SOCIALIST INTERNATIONAL

Third World commitment

BY HUGH O'SHAUGHNESSY

fostering relations among the social democratic parties of Western Europe. At the last SI congress, in November, 1976, in Geneva, the decision was taken to place much greater emphasis on the Third World and break out of the "European ghetto."

The man chosen to push through this change was Herr Willy Brandt, the former West German Chancellor, whose interest in the problems of world development was underlined last year by his selection to head a commission to examine the "future of North-South relations."

Since 1976, the SI has tried to demonstrate its commitment to the Third World and to extra-European problems. Last year, a party leaders' conference was held in Tokyo and Mr. Olof Palme, the former Swedish Prime Minister, led a mission to Southern Africa. In May the SI bureau meets in Dakar for the first time outside Europe. All this non-European activity enhances the importance of the overseas members of the SI who, besides those already named, include parties from Argentina, Chile, Malaysia, Mauritius, Senegal and half a dozen other Third World countries.

The Soares mission to Latin America and the Caribbean last month, visiting as it did Mexico, the Dominican Republic, Jamaica, Costa Rica and Venezuela, complemented the activities in Africa and Asia. The mass turnout for the Soares mission was a triumph not only for the Portuguese Premier. It was also a show of force for the Partido Revolucionario Dominicano, the Dominican affiliate of the SI which is contesting country-wide elections in a few weeks' time and which, by ballot rigging notwithstanding, hopes to challenge the iron rule of President Joaquin Balaguer who has maintained himself in power one way or the other since the U.S. invasion of 1965. The mixture of pomp, nervousness and impatience with which President Balaguer himself received Soares, who he insisted on treating as the Portuguese Premier rather than as a vice-president of the Socialist International—indicated the importance the event had in the Dominican context.

But the stay in Santo Domingo, like the other high point in the visit, the long discussions the SI team had with Premier Michael Manley and his People's National Party, the Jamaican affiliate of the International, also emphasised the difficulties that surround the SI's task in Latin America.

Mr. Soares himself, for instance, stands well to the right of the SI political spectrum. His view of socialism and the European communist is very different from that of, say, M. Francois Mitterrand. It was no secret that Mr. Manley and Sr. Soares disagreed on the role of Cuba in the Caribbean and the world. By sending Sr. Soares to lead the mission the SI robbed the ultra-conservatives who hold the reins of power in many countries of the region of the chance of portraying the International as an extreme Left-wing movement in hock to the Kremlin. No one could accuse Sr. Soares of being soft on Communism.

But the Soares mission also pointed to the ideological differences which will make it difficult for the International to speak a concerted attitude to Latin America and its development problems. As a result of these difficulties it will be an uphill task for the International to set up the sort of organisation in the area that the Communists and the Christian Democrats have had for many years past.

At the same time, from the Latin American end there are often doubts in the minds of local political parties about the wisdom of maintaining any international links and running the risk of appearing to be someone's puppet. The SI adds such journeys.

Some Latin Americans are also exercised about the apparent dominance of German interests in the International symbolised by Herr Brandt's presidency. In some quarters in Latin America there is a feeling that the SI is little more than a cover for the German Social Democrats in the Caribbean and the world. Party (SPD). The SPD is extremely active in Latin America through its Friedrich Ebert Foundation, which offers courses, scholarships and trips to Europe for the region's potential and actual leaders. Is the SI just another disguise for that foundation, and is the SPD, thinking of the interest of its voters, and just opening Latin America to German salesmen. Unfair as these questions may be, they are likely to persist while the International lacks a specific and detailed policy towards the development needs of the region. Conscious of these doubts and difficulties and conscious, too, of the increasing importance of Latin America, political active within the SI forecast that much more attention in the future will be given to Latin America and the working out of common positions among all members which reflect the economic and political realities of the region.

The Soares mission last month looks like being the first of many such journeys.

New Panama treaty talks

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, April 12.

PRESIDENT CARTER was due to confer today with Senator Dennis DeConcini, the Arizona Democrat whose amendment to the first Panama Canal treaty has infuriated Panama and made passage of the second treaty more problematical.

Supporters of the treaty are hoping to persuade Mr. DeConcini, a first-term Senator, to introduce a second reservation to the second treaty which would

have the effect of spelling out in greater detail the limitations inherent in his first proposal, which gives the U.S. a unilateral right to intervene in Panama after 2000 to keep the canal open. The Senator has declared his intention to introduce a second reservation but its content remains unclear.

But the matter is nicely balanced in the Senate, which has scheduled its crucial vote for April 18.

Sacked Reed chief sues in Canada

BY JAMES SCOTT

TORONTO, April 12.

MR. ROBERT Billingsley, who was sacked last May as president and chief executive of Reed Paper of Toronto, is seeking damages of \$1.1m. from his former employer for breach of contract and wrongful dismissal.

In a suit filed in the Supreme Court of Ontario, Mr. Billingsley claimed that he was wrongfully dismissed because an employment agreement required that he be given not less than 24 months

notice. His suit also names as a defendant Reed International of London. Reed International and its Canadian unit have denied the allegations and have filed a counter-claim for \$1m. in damages from Mr. Billingsley, alleging that Mr. Billingsley "failed to provide faithful, responsible and efficient management to Reed Paper and its subsidiaries."

Mr. Billingsley has denied that claim.

Demonstrations in Ecuador over bus fares

Venezuela opposition head criticises Perez record

BY JOSEPH MANN

CARACAS, April 12.

Violent demonstrations and street fighting have continued in the Ecuadorian capital as students protested against the rise in urban bus fares. Sarita Kendall reports from Quito. Hundreds of people joined an empty, sunbaked, march through the streets of Quito and there were several wounded when police broke up the demonstration. Schools have been temporarily closed, and two radio stations were shut down.

Venezuelan oil output

Crude oil production in Venezuela has risen to more than 3m. barrels per day, and oil exports have improved to the point where "the short recession in production" has been overcome, the Venezuelan Energy Ministry states. Joseph Mann writes from Caracas. During the first two months of this year, production fell off sharply. Fearful of oil revenues considerably below those budgeted, authorities ordered across the board cuts in 1978 government expenditures of more than \$460m. However, the Ministry now states that although average crude production so far in 1978 averaged about 1.8m. b.p.d., it has now risen to 3m. b.p.d.

A FORMER President of Venezuela, Sr. Rafael Caldera, has delivered a stinging attack on the current administration. Perez government since prices of charging that it has implemented petroleum exports rose in 1977, an uncoordinated and "absurd" economic policy, and that it has failed to continue a number of important programmes begun by the previous administration. Sr. Caldera, leader of the main opposition party, the Social Christian Copel, handed over the presidency to the current incumbent, Sr. Carlos Andres Perez, in March, 1974. The former president who continues to enjoy great popularity among Venezuelans, was addressing the Senate. His speech was an opposition party's formal response to President Perez's state of the nation address a month ago. Sr. Caldera also pointed to government expenditures in a wide variety of areas and asked where the real results could be found. Change in policy in order to avoid the trend of increasing expenditures, he said, was "where is all the money?"

Sr. Caldera also pointed to government expenditures in a wide variety of areas and asked where the real results could be found. Change in policy in order to avoid the trend of increasing expenditures, he said, was "where is all the money?"

Home hunters get personal help from the Greater London Council computer.

House hunting is always a headache, but the Greater London Council has a bigger job than most. Its Housing Scheme involves allocating council houses and flats as fairly as possible amongst thousands of people who need homes urgently. People like teachers or transport workers, essential to the capital, as well as others whose growing families, illness, change of work or adaptation problems oblige them to move. The council currently receives about 1500 requests a week for urgent accommodation.

The fact that the council can cope, is largely due to an IBM computer system, installed in 1974. Housed at the GLC's headquarters in Central London, the computer is connected by Post Office lines to terminals in 8 district offices. Into the computer are fed details and personal needs of families seeking relocation. This data is stored by the computer, and updated regularly. Based on the GLC's allocation policy and each family's situation, the computer helps establish a priority order. It then searches through its data on all the houses and flats available, matching families' requirements to property characteristics in accordance with the priority scheme. The computer even helps communicate the solution to the applicant. It automatically

prints out a letter inviting the family to visit the suggested location. Following this, it keeps track of whether or not the suggestion was accepted. If it wasn't, family and flat go back to be matched again.

Sometimes two families seeking help are ideal for each others' houses. The computer is also programmed to recognise this, and print letters making the suggestion for a mutual exchange. The GLC says the number

of allocations they can deal with has doubled thanks to this system. And since the computer provides a more scientific matching process, there is now a higher acceptance rate of the allocations made.

Plans are in hand to extend the system for lettings enquiries to ten more districts. And just recently, the system won the British Computer Society's award for the UK system of the "Greatest benefit to Society".



IBM in Europe is 90,000 Europeans.

There are over 90,000 IBM employees in Europe. They work at 7 research and development laboratories, 7 scientific centres which are usually associated

with local universities), 14 manufacturing plants, 26 support centres, over 150 computer centres and over 300 sales locations, throughout Europe.



The port of Antwerp is now ship-shape.

Antwerp is one of the busiest ports in Europe. When the Antwerp council acquired an IBM computer, the port became one of the system's main areas of activity.

The computer is used for the entire port administration. This includes the control of 18 warehouses containing equipment and spare parts needed to keep the port in operation. The computer produces invoices for

all port services, such as the use of tugs and cranes, and the renting of space in the warehouses. It also checks on all incoming and outgoing ships to simplify loading and docking.

Back on dry land, the same system is helping to keep the town of Antwerp in smooth running order. The computer calculates the salaries, taxes and pensions of all council workers, about 12,500 people. It computes the private pensions of over 8,000 others and helps with a yearly census of the total population of Antwerp. It maintains a register of inhabitants and their changes of address, and keeps track of the housing situation. It does the entire council's book-keeping. It issues reminders for medical check-ups, and handles all administration for general elections.

مكتبة المجلس

WORLD TRADE NEWS

\$390m. export credit for Hong Kong power contract

BY MARGARET HUGHES

\$390m. EXPORT credit to finance the contract awarded to EC Turbine Generators for supplying turbine generators and associated equipment for the proposed 700mw Hong Kong power station was signed in London yesterday by Kowloon Electricity Supply Company (KESCO) and J. Henry Schroder Bank as lead managers.

The loan is the largest to be guaranteed by Britain's Export Credits Guarantee Department (ECGD). Financed in U.S. dollars, the loan brings the total ECGD-backed foreign currency buyer credits to more than \$1bn, the target that the department had originally set for the year as a whole.

The actual contract between KESCO and GEC Turbine Generators was signed last week. A letter of intent was issued to GEC in January. GEC will supply two 350mw turbine generators and associated dual-fuel boilers, for which Babcock and Wilcox will act as subcontractors. GEC will also provide the mechanical and auxiliary parts for the new power station.

The contract represents one of the rare occasions on which Britain's Department of Industry has been actively engaged in negotiations, with Lazard's being as the department's financial advisers. It is now hoped that further stages of the overall power project, such as the transmission line, which are potentially worth as much as the current contract will also come to Britain.

It is also understood that KESCO has been involved in negotiations for obtaining coal supplies for the dual-fuel power station from China, with a possible tie-up whereby British manufacturers will supply the mining equipment that China would need to exploit its coal reserves to meet the power station's requirements.

Schroders claims that the terms of the loan comply with those set by the Government's agreement, on export credits, classifying Hong Kong as an "intermediate" country. The rate of interest is understood to be 7.75 per cent, with a repayment period of 8½ years from commissioning, scheduled for March 1983.

The loan, negotiated within the overall terms agreed last December by ECGD and KESCO, a new company set up for the project by the ECGD affiliate Eastern Energy (with 60 per cent.) and China Light and Power (with 40 per cent.) is being provided by a syndicate of

16 Hong Kong, U.S. and U.K. banks.

Schroders maintains that the flexibility of the financial package helped to secure the contract for GEC. In particular it emphasises the security package agreed with KESCO and accepted by ECGD in lieu of recourse to KESCO shareholders should the final costs exceed the initial financial commitment.

This includes a scheme of control by the Hong Kong Government whereby KESCO's tariffs are both fixed and adjusted annually to provide a guaranteed return on net fixed assets. That means that an allowance is made in fixing the level of tariffs to cover loan repayments should there be cash flow problems.

Provisions have also been built in for deferment of loan repayments and for pre-payment without penalty. In addition there is allowance for cancellation of part of the loan, amounting to some \$80m, to \$100m, should additional contracts for site supervision, technical advisory services and the supply of gas turbines not be placed within 18 months.

All three contracts are in fact expected to be placed shortly with respect to L. G. Mouchel and Partners, British Electricity International and GEC Gas Turbines.

China to send trade missions to Europe

PEKING, April 12.

CHINA will send three major economic missions to Western Europe on inspection tours in the next few weeks, diplomatic sources here said.

An agricultural delegation headed by Huang Nan, vice-minister of the First Ministry of Machine Building dealing with agricultural machinery, is due to leave here later this month under the present schedule. The delegation will visit Italy, France, Britain and Denmark.

The second delegation will be led by Ku Ming, vice-minister of the State Planning Commission, and is due to arrive in Britain on May 6 for a three-week visit. It will then spend three weeks in France the sources said.

They said this delegation is particularly interested in seeing modern industrial enterprises and how they are run.

The third delegation will be led by the Minister of the metallurgical industry, Tang Ko, and is expected to visit West Germany, Austria, Denmark, Luxembourg and Britain.

A group of 12 leading industrial companies who will take part in the first regional trade mission from the United Kingdom to visit China were named by the North of England Development Council yesterday.

They include Coles Cranes, Cable and Wireless, Whessoe Heavy Engineering, Dunlop (oil and marine division), Davy Ashmore International, A. and P. Appleford (London) and Albright and Wilson.

India and Pakistan agree on hydro-electric project

BY OUR OWN CORRESPONDENT NEW DELHI, April 12.

INDIA and Pakistan today reached an agreement in principle on the design and construction of Salal hydro-electric project, which has been a matter of dispute between the two countries for a long time.

Making the announcement, Mr. Agha Shahi, foreign affairs adviser to the Chief Minister of Punjab, said the agreement was "one of the most important" between the two countries.

He told a Press conference: "I very much hope the two sides will be able to sign the agreement before I leave for Pakistan tomorrow."

Experts on the two sides are evolving the text which will embody the agreement in principle. It was hammered out after two days of talks Mr. Agha Shahi had here with the Indian Prime Minister, Mr. Morarji Desai, and the External Affairs Minister, Mr. Atal Behari Vajpayee.

Mr. Agha Shahi said the agreement "hopefully will lead to conclusion of the protracted negotiations held at Governmental level since the project was first proposed by India in 1970."

In a statement he made before answering the questions at the Press conference, Mr. Agha Shahi expressed his satisfaction at his talks with the Indian leaders which, he said, had been held in "a friendly and relaxed atmosphere."

He said he was returning to Pakistan with the confidence that, like Mr. Vajpayee's visit to Pakistan, his visit to India "has been a step forward in the process of normalisation of Indo-Pakistan relations to which the two Governments are fully committed under the Simla agreement."

The Salal hydro-electric project is being constructed by India on the river Chenab in Jammu and Kashmir.

Racal gets £3m. in patent suit

BY MAX WILKINSON

RACAL-MILGO, the U.S. subsidiary of Racal, has been awarded \$3m. damages against United Business Communications in an action for infringement of patents.

The damages were awarded by the U.S. district court of Kansas for infringement of three data

communication patents.

The judge said in view of the defendant's "deliberate infringement and the unusual lengths to which the defendant went in copying Milgo's inventions" he would treble damages, costs, expenses and for infringement of three data

Stone-Platt wins £11m. Polish order

Stone Wallwork International

part of the marine division of Stone-Platt Industries, has contracted with the Polish firm with Metalexport, Poland.

It is to supply complete core-making facilities for a new foundry to be erected at Lublin and an extension to the existing foundry at Ursus. The new facilities will provide grey and nodular iron castings for Massey Ferguson tractors and Perkins engines being licence-built in Poland.

The Lublin foundry contract is for five separate core lines, each designed for particular tractor or engine core assemblies, and 39 Eurocor coreblowing machines, tooling, sand mixing equipment, new material and finished core conveyors. The Ursus extension involves a further 23 Eurocor and a fully automatic moulding unit. The equipment will be produced in the company's Glasgow, Glasgow and Bognor works and the Dulke, West Germany, works of Roperwerk.

U.S.-Swedish engine

The Garrett Corporation of the United States and Volvo Flygmotor of Sweden have agreed to develop jointly a new low-bypass ratio military turbofan engine. Development will be based on an existing Garrett engine and will meet expected demand during the 1980s. Work will be carried out in both countries.

£2m. boiler export

NEI International Combustion has won a £2m. contract for Fletcher and Stewart to manufacture and supply two water tube boilers for a sugar factory in Somalia.

USSR buys plant

Metallurgimport of the USSR has ordered two Raymond Milling Plant, three-roller and two five-roller milling plants, with spares, together worth nearly \$500,000. The deal was secured by NEI International Combustion.

Kuwait factory deal

The Danish timber industry company Krüger and Company has signed a contract with the Gulf International group, Kuwait, to build and equip Kuwait's first furniture factory. Hilary Barnes writes from Copenhagen. The contract is worth about Kr.25m. to Kr.30m. (£2.3m. to £2.8m.).

U.K. phone contract

The Hong Kong Telephone Company has ordered coin box telephones worth approximately £200,000 from GEC Telecommunications. Most will have a heavy steel plate case and handset and cords designed to prevent pilfering and damage.

Soviet-Swiss science exchange pact starts

BY JOHN WICKS

ZURICH, April 12.

A TEN-YEAR co-operation agreement started this month between Switzerland and the Soviet Union aimed at developing scientific, industrial and technological links between the two countries.

The agreement foresees exchanges of goods and services, joint construction of industrial installations and expansion and modernisation of existing plants, as well as co-operation in industrial and agricultural production and the exchange of expertise, licences and technologies.

There will also be an exchange of experts under the terms of the agreement, partly intended to enable joint research and development projects to take place.

Swiss Government liabilities under the country's export risk guarantee scheme rose sharply, by some Sw.Frs.3.5bn, in 1977 from Sw.Frs.18.2bn. Since the end of last year there has been an even greater acceleration, federal commitments going up by Sw.Frs.2.2bn. In the first quarter of 1978 alone to Sw.Frs. 13.4bn.

Despite the sharp increase in coverage, due largely to the further appreciation of the Swiss franc, claims continued to be exceeded by premiums in 1977; that allowed reserves, formed from premiums and from the payment into the scheme by the National Bank of proceeds from the negative-interest ruling, to reach Sw.Frs.456.7m. by the end of December.

For last year, the share of total Swiss goods exports covered by export risk guarantee, averaging just over 85 per cent. of billing coverage, was some 18.9 per cent.

There was a particularly sharp increase last year in new coverage for foreign sales of the machine-building industry.

Renault launches new car

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

RENAULT, THE nationalised French vehicle manufacturer, today launches a new competitor Renault 15 in the medium-size saloon car market as part of its programme of annual new model introductions up to 1980.

The R15, like the R12, has been designed with a conventional roof rather than the more familiar Renault hatchback configuration. It is a front-wheel-drive car, using in-line engines rated at 1,397cc (derived from the R12) and 1,647cc (derived from the R16).

World-wide production of Renault last year rose by 4.2 per cent, compared with 1976 to reach 1.7m. cars and light vans. The company also produced 54,000 trucks.

● Honda, the Japanese motor manufacturer, which has been diversifying rapidly from motorcycle to car production in the past few years, is to introduce a new car later this year.

Britain in £6m. Dubai venture

BY CELIA MAY

DUBAI, April 12.

CEMENTATION, WITH its local joint-venture partner Galadari, to be signed for a year.

The consultants for Deira 25.5m. to build a big private shop, flat and amenity complex in Dubai.

Called Deira Bazaar, the eight-storey building, owned by Sheikh Mohammed Bin Khalifah Al Maktoum, chairman of the Lands Department of Dubai, is Dubai's first large construction contract.

The consultants for Deira 25.5m. to build a big private shop, flat and amenity complex in Dubai.

Called Deira Bazaar, the eight-storey building, owned by Sheikh Mohammed Bin Khalifah Al Maktoum, chairman of the Lands Department of Dubai, is Dubai's first large construction contract.

Japanese car production soars

TOKYO, April 12.

TOYOTA MOTOR and Nissan today announced that motor vehicle production and exports in the fiscal year ended March 31 rose to all time record highs.

Toyota Motor Sales, the sales unit of Japan's largest motor manufacturer, said Toyota output of motor vehicles in March reached a record of 274,153 units, up 22.6 per cent. from February and up 5.9 per cent. from a year earlier.

Exports also marked a new high level for any March at 133,074 units, up 4.0 per cent. from the previous month and up 8.3 per cent. from a year earlier.

Domestic sales registrations were brisk at 172,575 units, up sharply by 72.5 per cent. from the previous month, and up 10.5 per cent. from the same month last year.

Toyota's production for fiscal 1977 also reached an all time high of 2,767,397 units, up 12.2 per cent. from the previous record high of 2,581,403 units in fiscal 1976.

Exports in the fiscal year totalled a new record of 1,486,000 units, up 17.5 per cent. from 1,263,000 units in the previous fiscal year. Domestic sales in the year, however, fell by 0.9 per cent. from the previous fiscal year to total 1,319,314 units.

Nissan Motor announced its March production totalled the second highest for a month at 198,593 units, up 17.3 per cent. from February, and up 19.9 per cent. from the same month last year.

AP-DJ

£2m. consultancy in Iran for U.K.

THE NATIONAL Freight Corporation has won a third large consultancy contract in Iran. Its share to the state-owned transport company could be around £2m.

The project is to advise the Iranian Government on a £100m. scheme to develop freight terminals at four Southern Iranian ports.

NFC (International)'s contract has been won in conjunction with the Iran International Engineering Company against competition from eight other international consultancy groups.

National Freight was invited by the Iranian government to set up a Tehran office three years ago and since then has won three important consultancy contracts.

These are for a cold storage complex, believed to be the largest in the Middle East, outside Tehran, and a further cold-storage/warehouse development near the port of Khorramshahr.

communication patents.

The judge said in view of the defendant's "deliberate infringement and the unusual lengths to which the defendant went in copying Milgo's inventions" he would treble damages, costs, expenses and for infringement of three data

Swedish nursery school staff have more time for children.

Since the nursery staff of the municipality of Täby have been relieved of most of their administrative work, they have more time to spend with the children.

The change came about because Täby municipality asked IBM to help improve their administrative routines. Now the IBM Datacentre deals with the

calculating of fees, the billing and record keeping. Practically the only administrative work left for the nursery staff is to fill out and send in a simple attendance record.

Everyone seems to be content with the new system. Parents pay to the municipality through the post, so their relationship with nursery staff is happily free of money problems. The staff themselves say they are more relaxed and have more time for the children, who in their turn get more and better care. The system also gives the municipality a clearer picture of expenses and attendance at the nurseries.

In other words, grown-ups and children alike benefit from having a computer system take care of as much as possible of the nursery administration.

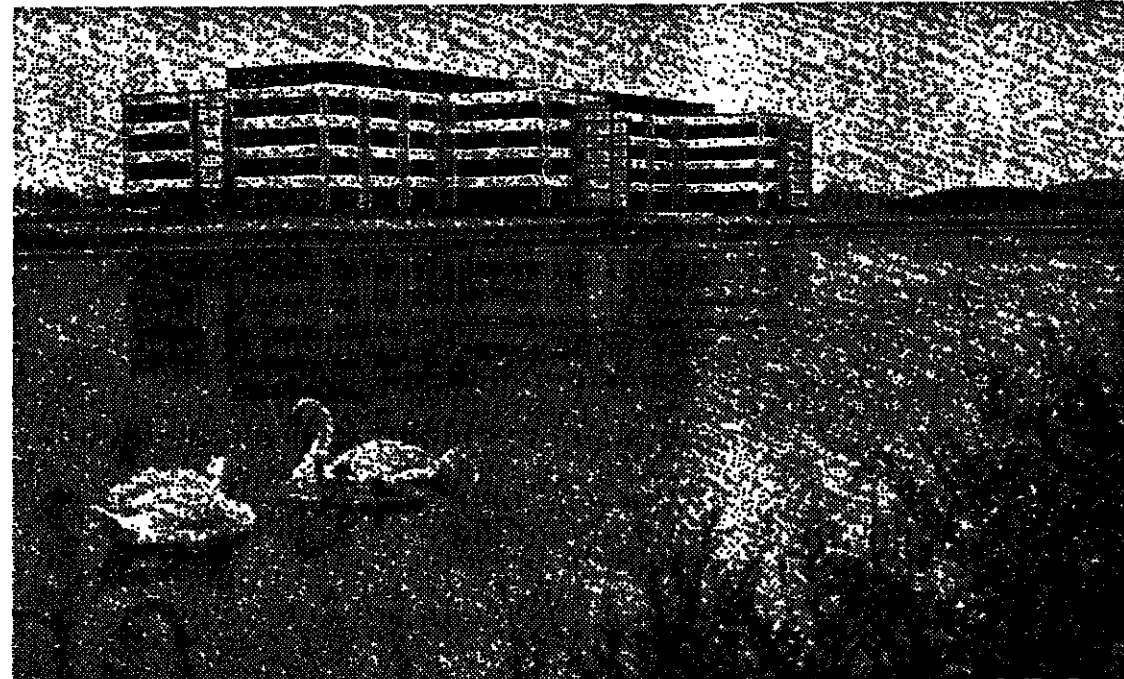
Luxembourg's water problem cleaned up.

A new computerized water resource system in Luxembourg helped significantly in 1976's severe summer drought. The system was able to help plan a daily supply of 82,000 m³, using surface water from the Esch-sur-Sûre dam instead of Luxembourg's traditional underground source. This allowed the region to cope with the extra demands the wells couldn't meet.

The IBM computer controls water feeding from the dam to

the treatment stations, the five treatment phases, pumping to the receiving reservoir, and distribution of the water, which provides over half of Luxembourg's daily needs. It also has built-in alarms to control reservoir levels and water quality. It keeps day to day data on consumption in different areas and produces graphs to illustrate these.

Luxembourg's Water Resources Management say the system means that they can now answer the differing demands of every area with water of consistently high quality.

IBM Reports.**IBM UK and the future.**

IBM UK is growing. And so are its headquarters. Opened in 1976 at North Harbour, Portsmouth, these occupy a 125-acre site on land reclaimed from the sea by IBM as a major part of the Portsmouth Harbour reclamation scheme. Already a second major office building is planned which will double the space available.

North Harbour is just one example of IBM's rapidly expanding investment in Britain. There have been large extensions to the manufacturing plant at Greenock, Scotland, and to the development laboratory at Hursley, near Winchester. The first phase of a new marketing centre at Warwick has been completed, and the second phase is well under way. Work has begun on extensions to the manufacturing plant at Havant in Hampshire. And a technical centre is under development at Greenford Green in West London.

Since 1951, IBM United Kingdom has grown from one office with less than 100 employees, to an employer of over

14,000 people, nearly all of whom are British. Their activities have introduced new technology and associated skills into the United Kingdom. Among the 48 locations they work at is the largest IBM development laboratory outside the United States.

In 1977, IBM UK's tax provision was 53 million pounds. Profit after tax was 57 million pounds, and capital investment was 89 million pounds.

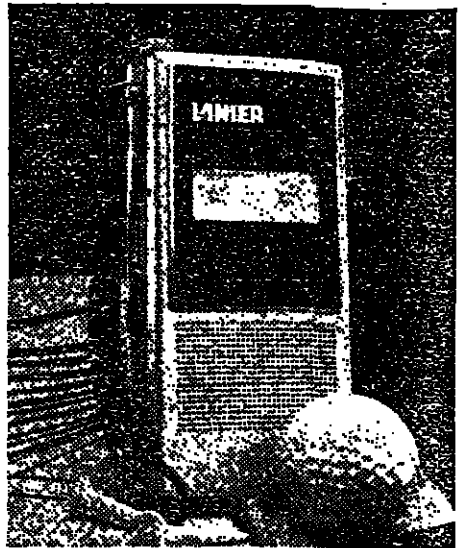
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HOME NEWS

CALLAGHAN AGREES TO MEET DELEGATION

Mersey councils bid to attract industry

BY RHYS DAVID, NORTHERN CORRESPONDENT

THE COUNTY authorities on Merseyside, where more than 8,000 jobs have been lost over the past three months in a series of closures, are to establish a new organisation aimed at stimulating industrial investment in the area.

The Prime Minister has agreed to meet an all-party delegation from Liverpool to discuss the area's unemployment problems. Merseyside county council has agreed to the creation of a new Economic Development Committee which will have under it an expanded development team—the Merseyside Industrial Development Office (MIDO)—in place of the Merseyside Industrial Development Office (MIDO).

Plans for the new organisation to spend £3.5m. on various industrial promotion and environmental measures were unveiled recently in the annual budget for the county by the chairman, Sir Kenneth Thompson.

The committee will have 11 members drawn on an all-party basis from the county council, plus one member from each of

the five Merseyside districts. Its executive arm, Merco, will continue with the work of industrial promotion previously undertaken by MIDO, but will also take over responsibility for construction and development of industrial sites, derelict land clearance, and acquisition of property required for development.

It is hoped this will reduce to a minimum the time taken to get projects off the ground. The council will have powers to set up in business for itself, with committee approval.

The move is an attempt by Merseyside to help itself in the wake of continuing job losses. On top of the loss of 7,000 jobs announced in the period immediately before Easter by British Leyland, GEC and Lucas, this month has seen the announcement of a further 650 redundancies at Western Ship Repairs in Birkenhead and job losses at a result of Spillers' withdrawal from breadmaking.

Unemployment on Merseyside has now reached more than 80,000, or 12 per cent. of the labour force, with much higher rates recorded in some pockets within the area.

Mr. Callaghan's decision, received yesterday rather than an extraordinary meeting of Liverpool city council called to consider unemployment and the apparent recent decline in the economy base.

Previously Mr. Callaghan had declined an invitation to come to Merseyside to see the position for himself. The council leader, Councillor John Hamilton said the all-party delegation would also include representatives of industry and the trade unions.

After a two-hour debate the council called on the Prime Minister and his colleagues to introduce at the earliest possible date such additional and special measures as would lead to an uplift in the economy and an increase in employment and job opportunities.

The council pledged full co-operation in support of any such measures and urged employers and trade unions to do likewise.

Engineers urged to keep up-to-date

By Michael Dixon, Education Correspondent

MECHANICAL engineers should be required to keep their knowledge up-to-date through continuing education as a condition of keeping their professional status, the Institution of Mechanical Engineers' qualifications board suggested yesterday.

Statistics would seem to indicate that professional engineers in Germany, the U.S., Japan and elsewhere are much more ready to learn and share experience gained than their counterparts in the U.K., the board reported after an 18-month study headed by Mr. J. C. Dawson, chairman of Zenith Carburator.

The report also urged a weeding-out of degree courses in engineering which fall short of the IME's requirements for professional status. "Many more degree courses may in future fail to meet the Institution's standards," Mr. Dawson declared.

Recommendations

From 1985, professional acceptance should be refused to courses which failed to provide teaching on the engineer's role in society, including relevant aspects of management, accountancy and law.

Courses which fell short could be adapted to suit—along with developments at the level of Higher National Diploma—educational needs of technician engineers.

This sub-professional group should be catered for by a new institution, said the report, and the standards for qualification as a technician engineer should be given close study.

Among its 44 main recommendations, the Dawson Report also proposes that would-be professional mechanical engineers should in future have to undergo a period of practical training between leaving school and starting their degree course.

"The Board believes that this greater insistence on pre-academic training will also help solve the increasing problem of persuading trades unions to allow realistic shop-floor training."

Peterlee company wins Euroloan

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

DJB Engineering, of Peterlee, Co. Durham, yesterday became the first British company to receive a loan from the European Investment Bank under its scheme to assist small and medium-sized concerns in development areas.

Although not announced yesterday, it is understood that the EIB approved a second allocation during the day, to a company in South Wales, and that a third, for a concern in Swansea, is nearing completion.

The EIB loan scheme was launched last December with a capital of £20m. for an experimental period of 12 months. It will be reviewed at the end of this year to see whether to continue it into 1979.

DJB Engineering makes dumper trucks and 95 per cent. of its sales are overseas. Its leading markets are the U.S., Germany, France and Canada. It has a turnover of £10m. and intends to spend another £7m. including the EIB loan, expanding facilities.

Mr. Brown said: "We have a big market open to us but we cannot open it without medium-term borrowing. This loan gives us the additional resources we need. Without the loan we should have been able to increase our workforce to around 500. With it, we shall be able to put the number up to 850."

Airlines cut fares to U.S.

LOW-FARE London-Texas flights were announced yesterday by Braniff International, only hours before British Caledonian put forward its new six-tier price structure which starts at £69. Braniff fares start from £78 for stand-by trips.

Egyptian refit
Vesper Thornycroft has begun work on a £50m. contract, signed in August, 1976, to refit five Egyptian Navy October-class boats at its Portsmouth shipyard.

Factory replaced
The U.S. electronics company, National Semiconductor, yesterday opened a £8m. wafer circuit factory at Greenock, Scotland, almost exactly a year after the original plant was destroyed by fire.

Dock opens
Bristol's £28m. Portbury Dock opened to commercial shipping yesterday, eight months after its official opening. The delay was caused by industrial problems.

Record profit
British Midland Airways yesterday announced a record profit of just under £11m. The pre-tax profit of £1,472,000 compares with £90,000 last year.

Best foot forward
BRITISH FOOTWEAR manufacturers' deliveries in December last year, at 11.8m. pairs, were down 7.9 per cent. compared with December 1976. But total deliveries for 1977, at 135.1m. pairs, were 4.2 per cent. higher than in the previous year.

£1 coins
The Isle of Man, which still issues 50p banknotes, is expected to issue Britain's first £1 coin. The Island's Parliament will be asked next week to authorise the Manx Treasury to issue the coins.

Frans Post landscape fails to find buyer at £38,000

THERE WAS a big disappointment in Sotheby's sale of Old Master paintings yesterday—when a landscape by Frans Post depicting a river scene in Brazil in 1667 failed to find a buyer and was bought in at £38,000, about half its estimate. Probably the fact that there have been many similar pictures by Post on the market in recent years caused the failure.

The best price was £25,000 (plus the 10 per cent. buyer's premium) from the Brod Gallery for "Still Life of Strawberries" by Adriaen Coorte. Another still life of flowers and fruit by Ambrosius Bosschaert the Younger went for £22,000 and yet another, this time of sea shells and seaweed by Anne Vallayer-Coster, realised £21,000.

A view of London with a fair on the frozen Thames, painted in the late 17th century by Jan Griffier the Elder, sold for £17,000, and "Country Folk outside an Inn" by Jan van Goyen made the same price. The National Portrait Gallery, bidding through Leitzart, paid £4,500 for a 1628 portrait of James Hay, first Earl of Carlisle, by George Geldorp.

A medals and decorations auction at Sotheby's totalled £51,405. Hayward paid £3,000 for a Boer War group of three medals and the presentation sword awarded to Colonel Lumsden of Lumsden's Horse, Kleinen, a Swiss dealer, bought a Vatican Equestrian Order of the Holy Sepulchre for £2,900.

A Sotheby's, Belgrave, sale of English furniture and bronzes totalled £30,842. A bronze, after Lord Leighton, entitled "The Sluggard" sold for £1,200 to the Fine Art Society.

The National Museum of Antiquities, Edinburgh, paid £23,000 at Christie's yesterday to acquire a pair of Scottish all-steel snaphaunce pistols of exceptional size. Measuring 26 inches in length, they dated from 1660.

They probably were made for Sir John Dalrymple (1648-1707), the first Earl of Stair, who obtained from King William III

the decree which led to the massacre of the MacDonalds at Glencoe in 1692.

The pistols were one of 39 lots in yesterday's sale, consigned by the present Earl of Stair and which, of themselves, totalled £48,340. The sale itself realised £133,588.

Two late 16th Century Saxon wheel-lock pistols, with contemporary accoutrements, sold anonymously for £12,000. They are believed to have been in the collection of William Randolph Hearst. The Tower of London was also active in the sale room, buying three lots. It paid £2,600 for a flint-lock sporting gun with Spanish two-stage barrel, mid-18th Century.

A pair of Flemish flint-lock pistols, again mid-18th Century, were acquired for £2,500, and a silver-hilted back-sword, with slightly curved blade, late 18th Century at £1,000.

A sale of jewellery by Christie's in New York on Tuesday totalled £1,254,572 (\$2,268,280) with 90 per cent. of the items sold. A diamond ring, set with a square emerald-cut diamond, weighing approximately 26.95 carats, realised £397,222 (\$715,000).

Babcock to end housing work

By Michael Cassell, Building Correspondent

BABCOCK AND WILCOX is to pull out of house building and home improvement work. The decision, announced yesterday, follows heavy losses by its Hardstock subsidiary.

The group, which yesterday also announced pre-tax profits for 1977 of £32.2m., said that losses on its housing and home improvement operations had amounted to £4m. and the appropriate time had arrived to withdraw from this type of business.

Hardstock employs about 800 people, although Babcock had referred to other contractors who may be taking on some of the unfinished work. Redundancies could be confined to fewer than 150 office staff.

Hardstock has work throughout the country and its activities have been mainly centred on the local authority sector.

Warning

Turnover for the company has fluctuated between £12m. and £16m. a year since it was taken over by Babcock as part of the acquisition of Woodall-Duckham in 1973. In 1978 the company, which had a record of reasonable profits, warned that its performance would be affected by the reduction in local authority expenditure.

Mr. John King, chairman of Babcock, said the Hardstock losses were the result of "inadequate site control, extensive remedial work, failure of subcontractors and worsening delays beyond contract terminal dates."

He added that house building and improvement work formed no part of the group's long-term policy and that operations would continue only to the extent necessary to complete existing contracts. No new work was being taken on.

It is thought that Hardstock has about £8m. worth of contracts outstanding, many of which will be finished by the middle of the year. It is expected that Babcock's disengagement from housing work will be completed by early 1979 at the latest.

Babcock results, Page 25

Standards of safety criticised

By Our Building Correspondent

FURTHER HARSH criticism of the high accident rate in the construction industry came yesterday from the Health and Safety Executive.

In an analysis of 100 deaths recorded in the construction sector over six years up to 1975, the Executive claims that management was primarily responsible in two-thirds of the cases.

The report follows the release last month of another Health and Safety Executive document in which the construction industry was criticised for failing to improve safety standards. It forecast that as many as 2,000 workers in the industry could be killed in the next decade unless standards were improved. In 1976, 154 workers employed on construction work were killed, against 161 in 1975.

Yesterday's report says that of the 100 fatalities examined, 68 involved a readily foreseeable event which ought to have been seen by management as a risk.

It also concludes, however, that 14 of the accidents happened because the dead worker failed to take reasonably practicable precautions.

The most common type of accident, responsible for 44 deaths, involved a fall by the victim. A further 26 were caused by falling materials.

One at a time

The report comments: "The men involved were construction workers going about their normal work."

"They were not working at the frontiers of technology, they were simply picked off one at a time."

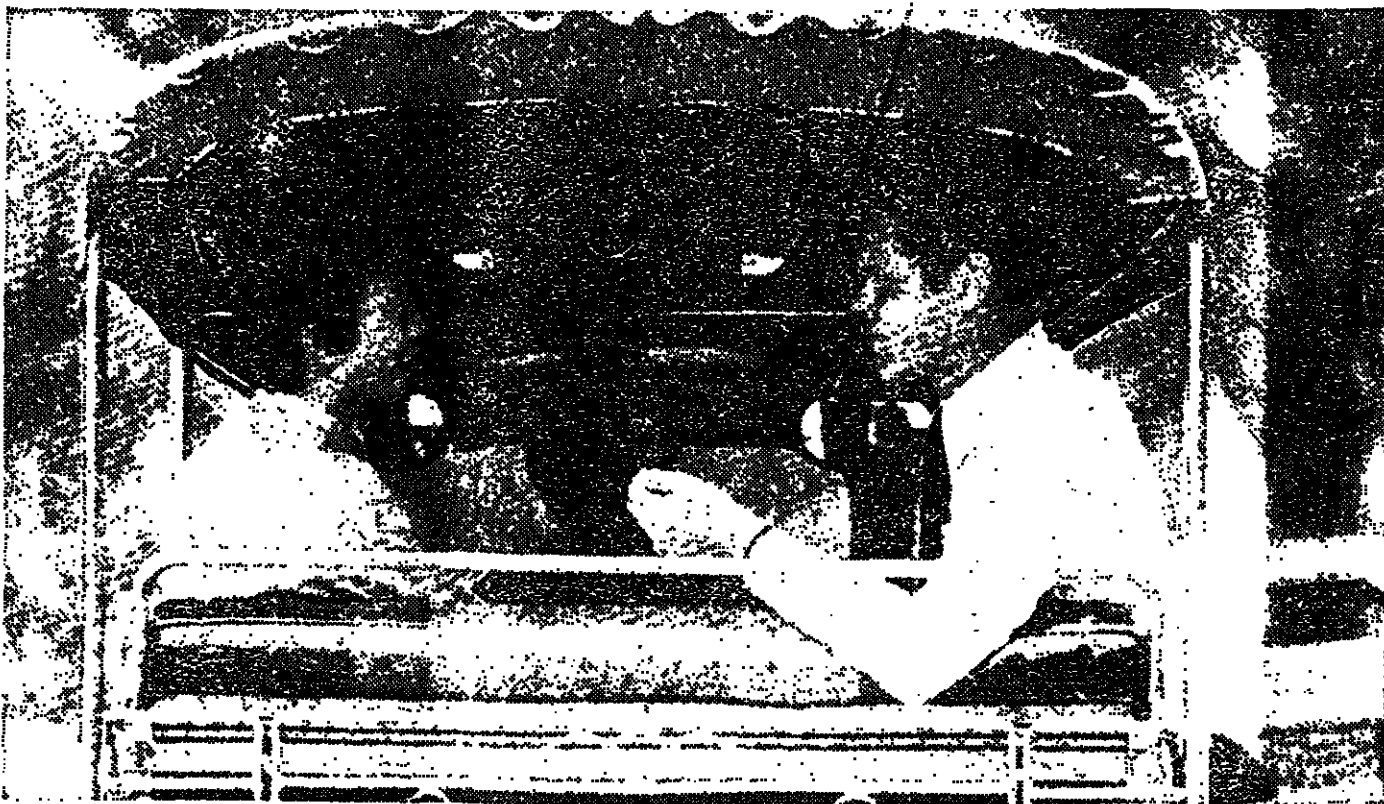
"The vast majority of these accidents can be prevented by the competent exercise of normal professional skills, by adequate training and supervision and by the establishment of safe systems of work."

The report does, however, concede that many construction projects are undertaken in difficult and changing conditions, and that many factors make the construction process potentially dangerous. The Federation of Civil Engineering Contractors last night welcomed the report as "a very useful document," but said that the report itself emphasised the problems of controlling the behaviour and motivation of individual workmen.

It was extremely difficult, a spokesman said, to ensure that all safety procedures, many of which were not mandatory, were being followed at all times by all personnel.

One Hundred Fatal Accidents in Construction SO 90p.

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هكزامن الناحل

NEB buys electronics sector stake

BY MAX WILKINSON

NATIONAL Enterprise of perhaps two or three times the present level. Last year, the company had a turnover of about £500,000 on a profit of nearly £5m. But electronic and electronic components represented only 15 per cent of turnover.

Mr. Burton said the next stage would be to increase penetration overseas, starting with the U.S. and Germany. It was not yet decided whether to set up subsidiaries or to enter partnership with overseas companies.

It is hoped that the injection of enterprise board funds will help the setting up of these new arrangements.

When the company was founded in 1970 with a capital of £250,000, its main purpose was to market imported products in the U.K. Three years later, it started manufacturing in Rickmansworth with designs which it acquired from a former supplier that went out of business. Now its main products are message switches, multiplexers, concentrators, and high speed modems.

Building societies attack mortgage restrictions

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

CRITICISM of the Government's decision to restrict mortgage lending because of fears about rising house prices came yesterday from two of the country's largest building societies.

When the societies announced last month that they were cutting their monthly lending quota to about £650m. instead of the scheduled £720m., as a direct result of Government pressure, there was little immediate public criticism.

Now, however, several societies appear to be criticising Ministers' intervention and seem anxious to ensure that the artificial mortgage reduction is not maintained beyond the end of June when the two sides will examine the impact of the lower level of loans on house prices.

Earlier this week, the Leicester Building Society criticised the lending reduction and the Cheltenham and Gloucester yesterday made similar complaints.

Mr. Charles Jessop, chairman of the Cheltenham and Gloucester, whose managing director, Mr. Ralph Stow, is chairman of the Building Societies Association, said yesterday that the Government's move was "particularly deplorable" at a time when societies had ample funds to lend.

Mr. Jessop said that many would be disappointed because of the lending cut-back. He said that there was "no real evidence that the availability of mortgage money has any effect on house prices."

Total assets of the Cheltenham and Gloucester rose by more than 26 per cent last year to £505m.

Another building society chief, Lord Hill of Luton, chairman of the Abbey National, said yesterday in London that an artificial dampening down of house prices by restricting mortgages "may be heralded as successful housing policy in the short-term whereas it could prepare the ground for an escalation of prices in the future."

Lord Hill said that, in the meantime, the renewal of confidence which was beginning to appear within the house building industry would be lost.

"If prices are to achieve the steadiness which is sought, there must be a restoration of house building to the level which meets demand."

The hard fact is that to deny funds when demand is already seemingly insatiable will leave even more people unsatisfied. This demand will not go away, it is simply likely to build up and, sooner or later, lead to a price explosion.

"The restriction in lending will, at its best, be a short-term palliative and not a solution," he said.

Building societies have reluctantly agreed to the reduction, not because they believe that it is the right solution, but that it is the movement does not because the movement does not precipitate a house price explosion.

Lord Hill said that loans for modernisation and repair were not being restricted.

Members of the Wolverhampton and Merca and the Midshires building societies yesterday gave overwhelming approval to the proposal to merge the two societies. The new society, to be known as the Midshires, will have assets of £220m. and more than 50 branches.

There are a number of criteria by which the success of a building society can be measured.

One can judge it by the number of families becoming home-owners or acquiring fresh homes. In the case of Abbey National the figure in 1977 was 113,158.

Or by the size of its Total Assets, which in our case stood, at the end of last year, at no less than £5,413 million, an increase of £1,067 million or 24.5%.

Then again, one can measure it by its net receipts from Shareholders and Depositors, which in 1977, including interest credited to accounts, were £999 million, an increase of £416 million or 71%.

To soften the effect of falling interest rates for our investing Members and Depositors we have twice in the last six months held the rate on existing balances above that applying to new money.

So one could go on.

For example, 850,000 new investment accounts were opened during the year, representing nearly 3,000 every working day... By all these tests, as by others,

Abbey National has had a most successful year.



Total advances £1,104 million, an increase of £92 million over 1976. Average advance was £9,467 (£9,039 in 1976).

£227 million was lent on new houses. The amount lent on houses built before 1919 went up to £255 million.

A quarter of new advances was made to people earning less than £20 a week. Nearly 54% of all new advances went to first-time purchasers.

At year end Liquid Assets were £1,126 million. Reserves £200 million.

Total number of Branches was 467.

Abbey National Building Society, Abbey House, Baker Street, London NW1 6XL.

Evidence 'not nonsense' - Bank case witness

FINANCIAL TIMES REPORTER

FORMER solicitor's clerk reply to some questions by Mr. Walsh and the meeting took place in the Waldorf Hotel only because it was a convenient stopping-off point on his way home.

During cross-examination Mr. Walsh agreed that another defendant in the trial had told him there was never any intention to defraud the Bank and the dollar premium operation was merely contrived as a "front" to get money from two businessmen who were not connected with the Bank in any way.

Mr. Wales, of Chislehurst, Kent, and five others, deny conspiring between 1975 and 1976 to get money dishonestly from authorised dealers in investment currency. The trial, which opened last week, is expected to last nearly two months.

Mr. Robert Harman, QC for Mr. Wales, suggested that Mr. Wales' only involvement in the case was to give general guidance on foreign currency in months.

Jobs created for 70 in steel closure town

MORE THAN 70 new jobs will be created in Hartlepool, Cleveland, one of the towns most seriously affected by British Steel's closures, in a packaging factory to be established by a Midlands group.

Normid Packaging of Smethwick is to rent British Steel's former tonnage oxygen plant, which was last used in 1969. BSC (Industry), the steel corporation's subsidiary formed to attract new industry to steel closure areas, is spending £200,000 to convert the building for Normid's use.

The company hopes to occupy the building in July and at the start will employ 30 people. The total of 72 which it plans to employ eventually will include about 60 men.

Normid specialises in export packing and claims the move will enable it to offer an improved service to customers.

Unemployment among men in Hartlepool is running at about 17 per cent. In recent years British Steel's labour force there has dropped by about 3,000 including the loss at the end of last year of about 1,500 jobs with the closure of steelmaking in the town.

Textile traders' sales down in most sectors

SALES in most areas of the hardware went up by 11.6 per cent.

Eight other sectors, including children's wear, boots and shoes, women's knitted outerwear, blouses and skirts showed a drop in sales compared with last year.

Sales for January and February of this year also increased in only four sectors compared with the same period for 1977.

All but two of the 12 sectors covered by the association's figures showed a drop in stock at the end of February, 1978, compared with February, 1977.

Big brewery groups attacked

GOVERNMENT ACTION to competition in the brewing break up Britain's six big breweries was demanded yesterday by CAMRA, the Campaign for Real Ale, which published its 1978 Good Beer Guide.

Mr. Roger Protz, the editor, said the takeovers and mergers that had produced the "Big Six" brewers should be unbrewed to restore genuine choice for beer drinkers and able than normal ales.

This hot little number could help save British industry over £60 million in a year



This cassette is part of an audio-visual training programme we call BEST - Boiler Efficiency and Safety Training. It is an aid for supervisors and boiler operators on the safe and efficient use of automatic packaged steam boilers. Its aim is to save energy and cut operating costs.

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Improvements in the use of steam generated have produced further savings of £150,000 in a year at these plants.

It has made a significant contribution to Esso's high standards of safety.

We now offer this programme to industry. It is estimated that if each of the 60,000 or so packaged automatic boilers in industry made only half the savings achieved by Esso, the fuel saving alone would be worth £60 million a year.

The BEST programme is just one example of ways in which Esso can help industry make substantial cost savings. In other fuel applications and in the whole field of lubrication, similar opportunities exist.

We will be pleased to discuss with you BEST or any other Esso cost saving programme. Make the first move by filling in the coupon below.



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AFTER THE BUDGET

Increased borrowing expected in year ahead

By Peter Riddell, Economics Correspondent

BORROWING by central Government last month was higher than a year earlier, and is expected to rise sharply during the coming 12 months, principally as a result of higher public spending.

The final details of the 1977-78 outturn for central government financial transactions were published by the Treasury yesterday, as an addition to the information included in Tuesday's Financial Statement and Budget Report (the Red Book).

This shows that the central government borrowed £1,339m. last month, compared with £1,190m. in March, 1977. The difference is mainly explained by higher expenditure, notably on debt interest.

For 1977-78 as a whole, the central government borrowing requirement was £4,490m., compared with a forecast level of £4,860m. in the Budget a year ago.

A detailed examination of the Red Book shows that the much lower level of borrowing is mainly explained by a high level of repayments of debt by nationalised industries—£695m. against a forecast rise in net borrowing of £84m.—which more than offset a rise of £304m. in lending to local and harbour authorities.

Revenue was also more buoyant than expected, notably Corporation Tax which was £3,350m., compared with an adjusted Budget projection of £2,580m.

Corporation tax receipts are expected to rise to £4,170m. in the coming financial year.

Overall Consolidated Fund revenue is projected to rise by 10.1 per cent. between the past financial year and 1978-79.

However, this is expected to be more than offset by a 16.8 per cent. increase in Consolidated Fund expenditure and higher payment on the National Loans Fund, notably reflecting higher debt interest payments.

The central Government borrowing requirement is projected to rise to £7,940m. in the current financial year.

The Red Book also notes that underspending by both central and local government is likely to have been larger in 1977-78 than estimated in last January's expenditure White Paper.

School meal subsidy will cost £377m.

By Michael Dixon, Education Correspondent

THE TAXPAYERS' subsidy to the school meals service will be about £377m.—or about two thirds of the total cost—as a result of the Government's Budget decision to withhold a projected addition of 10p to the 25p price of a school dinner from next September.

Mrs. Shirley Williams, Secretary for Education and Science, announced in London yesterday that none of the cost of withholding the price increase would fall on local education authority rates.

Local councils would be reimbursed in full from central funds both for the extra meal expenditure and for restoring milk allocations

Small businesses study to emphasise investment

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE GOVERNMENT'S six-month study of ways of helping small businesses cope with financial and other problems is to continue into the summer with special emphasis on ways of encouraging private investors to take stakes in such companies.

This was announced yesterday by Mr. Harold Lever, Chancellor of the Duchy of Lancaster, who last September was given the job by the Prime Minister of co-ordinating the Government's small businesses policies.

The announcement followed Tuesday's Budget which included taxation and other measures to help small companies. It is estimated that these will cost about £200m. a year.

They included some changes to capital transfer and capital gains taxes which were first announced in last October's economic package, as well as new items such as an increase from £7,500 to £10,000 in the registration limit for VAT.

Reporting on the work he has done over the past six months in conjunction with Mr. Bob

Crier, the Department of Industry Junior Minister responsible for small firms, Mr. Lever said: "This is not a once-and-for-all package but a continuous attempt to meet the needs of small businessmen."

The objective was to create an "atmosphere of increased enthusiasm" in small companies and the Prime Minister was "in the forefront" of encouraging the new policies.

Mr. Lever also made it clear that the main reason for the Prime Minister's interest was that the Government was convinced that small rather than large companies were better equipped to expand their labour forces and so cut unemployment.

Of his future work, Mr. Lever said: "How can we encourage the private investor to invest in small firms? At present the system tends to push savings into insurance companies and pension funds which cannot be expected to provide the risk capital required by countless small firms."

"I would like the small business man to compete for savings with leading bankers, would consider whether the clearing banks and institutions could do more to support small businesses. But he was not convinced yet that Government-backed guarantee facilities for bank loans necessarily would be the "most cost-effective" way of helping small firms.

Mr. Lever said he wanted to "add magnetic attraction to these small firms to attract the cash from the small investors."

Linked with this Mr. Lever, who has had a meeting recently with leading bankers, would consider whether the clearing banks and institutions could do more to support small businesses. But he was not convinced yet that Government-backed guarantee facilities for bank loans necessarily would be the "most cost-effective" way of helping small firms.



Mr. Lever: wants to create an "atmosphere of increased enthusiasm" in small firms.

Higher Social Security benefits

BY ERIC SHORT

THE NEW RATES

| | Weekly rates | |
|---------------------------------|--------------|-------|
| | New | Old |
| Retirement and widows' pensions | | |
| Single person | 19.50 | 17.50 |
| Married couple | 31.20 | 28.00 |
| Unemployed and sickness | | |
| Single person | 15.75 | 14.70 |
| Married couple | 25.50 | 23.80 |
| Widows' allowance | 27.30 | 24.50 |
| Maternity allowance | 15.75 | 14.70 |

* 25p is added if aged 80 or over.

† Payable for first 26 weeks of widowhood.

SICKNESS and unemployment benefits are being increased as of November to £15.75 a week for a single person and £25.50 a week for a married couple, compared with the present rates of £14.70 and £23.80 respectively.

These rises were announced yesterday by Mr. David Ennals, Secretary of State for Social

Services, when he disclosed to the Commons complete details of improvements in all social security benefits costing £870m. in 1978-79 and £1,300m. in a full year. The new rates will come into effect from the week beginning November 13.

Pension and other long-term benefit rises were given in Tuesday's Budget speech by the Chancellor of the Exchequer. Pensions are being improved by 11.4 per cent. to £19.50 per week for a single person and £31.20 for a married couple.

Unemployment and sickness benefits are thus being increased by only 7 per cent.—a much lower rise than for pensions. The Social Security Act, 1973 sets out the basis upon which social security benefits are to be reviewed by the Secretary of State.

Increases in pensions and other long-term benefits are to be based on the higher of earnings or prices changes, but short-term benefit rises are to be based solely on prices.

The Government is anticipating an 11.4 per cent. rise in earnings in the 12 months from last November, when benefits were previously increased, but only a 7 per cent. increase in prices.

Thus pensions are to have their real value improved, in accordance with Government policy, but unemployment and sickness benefits only have their value maintained.

The real value of pensions has increased by 20 per cent. since 1974.

Mr. Ennals also amplified the proposed increases in child benefit payments, also announced in the Budget. He pointed out that the major increases announced to £3 per week from November and to £4 per week per child from next April demonstrated the Government's determination to give direct help to families who had had their living standards held down during a difficult period.

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Over 200 face tax avoidance measure

By David Freud

THE RETROSPECTIVE legislation against an artificial tax avoidance scheme announced in the Budget will hit an estimated 200-300 people who used it over the last two years on income totalling £15m.

A smaller number of companies will also be affected. The legislation, which will make arrangements based on the "commodity carry" scheme invalid from April, 1978, will destroy the rationale of the tax avoidance industry.

If the industry survives at all, it is likely to be in a very different guise. However, the retrospective aspect of this direct attack on tax avoidance makes a Parliamentary row over the measure inevitable, and it is not altogether certain that the Chancellor will be able to carry the measure on to the Statute Book.

Estimates in the tax avoidance industry—which is dominated by six main companies—put the number of individuals who used the "commodity carry" scheme at 200-300. The average income each individual put through the scheme was about £50,000.

Because the cost of using the scheme was high—between 20 and 30 per cent. of the income—many people will find that when the retrospective legislation catches up—presenting tax demands with marginal rates of up to 90 per cent.—they will be heavily out of pocket on the whole exercise.

The "commodity carry" scheme worked through individuals going into partnership with a company to obtain technical losses in a series of commodities futures transactions.

Before the corresponding profits were realised the individuals sold out for a capital gain.

Mr. Roy Tucker, the avoidance expert who marketed the scheme in association with another tax company—the Rossminster Group—said yesterday that it would be virtually impossible to arrange to repay the costs of using the scheme.

"The money disappears in all sorts of financial transactions to ten different places. One simply could not get it back," he said.

In his Budget speech, the Chancellor said: "The time has

come not only to stop the particular schemes we know about, but to ensure that no schemes of a similar nature can be marketed in future."

One way the industry could survive would be by marketing individual schemes on a far smaller scale, so that it would not be worth the Government's while to go through the unpopular process of retrospective legislation to curb a small abuse in each instance.

"This is one option we are considering," Mr. Tucker said.

Elsewhere in the industry another option being considered is an increased use of companies as vehicles for avoidance.

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BY MICHAEL BLANDEN

THE TWO major credit card organisations, Barclaycard and Access, yesterday offered their holders easier repayment terms after the removal of controls in the Budget.

As a result of the change nearly 4m. Barclaycard holders and the 3.2m. people who have Access cards will be required to pay a minimum of 15 a month or 5 per cent. of their outstanding debt, whichever is the greater.

This is a substantial easing from the previous requirement of a minimum repayment of £6 or 15 per cent. imposed by the Government. The change is expected to lead to a significant rise in the average length of credit provided by the credit card organisations and to make them more competitive with alternative forms of borrowing such as hire purchase.

It could bring an increase in the average amount of credit provided. It will certainly help to improve the profitability of the credit card operations for their banking owners.

The previous controls were imposed in the December 1972 Budget and had an immediate impact on credit card operations. As a result the average period for which credit was provided fell sharply from up to about nine months to about four months.

This in turn hit the banks' profits from credit cards, although last year both groups reported that they had moved into a significant profit.

The easing of terms represents a return to the position before the restrictions were imposed, allowing for the effects of inflation. The card organisations hope it will bring a similar extension of the amount of credit they provide to customers.

Normally about a third of card customers take credit regularly. A similar proportion might use it occasionally and the rest pay up their bills each month. The card groups are expecting a steady increase in the amount of credit provided.

The rise in interest rates following the 1 per cent. increase in the Bank of England's minimum lending rate to 7.75 per cent. is not expected to bring any immediate change in rates charged by the credit cards. At present Access charges 11 per cent. a month compared with 11 per cent. Barclaycard.

The card groups also announced that cash advances until now limited to 250 Government-regulation, will be subject only to a cardboard personal credit limit.

The Budget has again been a disappointment to the many credit companies which have been arguing repeatedly for a relaxation of the controls on car purchase.

Leading

Mr. Ronald Barnes, the chairman of the Finance House Association, said yesterday that credit was now only of lending single for specific controls.

The terms controls on finance have been in force since December 1973. The Finance House Association has been pressing the Government to extend the repayment period to 24 months from 24 months.

Mr. Barnes repeated a finance house point that appeared the controls were being not as a restriction on lending but on imports, because of a concern about the loss of foreign car manufacturers.

Most CITY stockbrokers are pitched high for the pessimistic outlook, the effect of the Budget measures on financial markets is seen as a pessimistic view is more than understood that interest rates will have to rise further and that the prices of gilt-edged stock will weaken.

Philips and Drew says the gilt-edged market is likely to be disappointed by the £850m. forecasts for the public sector borrowing last year over £1,000m. and the potential conflict this more than 8 per cent. by presents with the maintenance of growth of M3 within the 9-13 per cent. target range.

"Over the longer term, an upturn in bank loan demand on the back of strengthening consumer expenditure is likely to put pressure on monetary guidelines."

This will probably be solved, in due course, by a rise in both short-term and long-term interest rates," says the firm.

Wood Mackenzie says the money supply target represents a tough objective with an expanding economy and the increase in forecast BSBR.

"PSBR forecasts are inevitably subject to large margins of error, but at present we believe that the 1978-79 outturn is as likely to exceed £850m. as to fall short of that figure."

Pannam, Gordon & Co., a Treasury analyst, said that the £850m. of the favourable impact of the forecast has been deliberately Sea oil.

HOUSE OWNERS and tenants are to receive substantial Government aid to reduce domestic waste heat. New measures, forecast in the Chancellor's Budget speech, could cost the Government £15m. in the first year of operation and £240m. over ten years.

The scheme was outlined yesterday by the Prime Minister who said at a conference of women's organisations that a Government programme aimed at encouraging insulation in public buildings and council houses was to be extended to the private sector.

Occupants will be able to apply to their local authority for a grant of 66 per cent. towards the cost of loft insulation, pipe space, and hot water tank lagging. The maximum grant will be £50 a house, and it is expected that 500,000 homes will be covered in the first year.

Mr. Callaghan said that the necessary legislation would be presented this summer in the form of a bill to amend the Energy Conservation Act, 1961.

On the face of it, the announcement marks a change in Government policy. In December 1976, Mr. Anthony Wedgwood Benn, Energy Secretary, launched a campaign against the public sector, Mr. Benn said that the Government expected the industry and private home owners to recognise the economic benefits of conservation and make the necessary investment in insulation unaided.

Dr. John Cunningham, Food Minister, warned that the fuel costs would continue to put pressure on household budgets. Energy prices could double in real terms by the end of 1979.

First Minister, Mr. Michael Posner, of the Advisory Council for Energy Conservation, said that over the next decade energy prices could rise by half in real terms.

Sir Monty Finniston, a director of Sear's Holdings and former chairman of British Steel Corporation, felt that restrictions on supplies of fossil fuels would dampen world economic growth.

British people were already in a "no-growth" mood, he said. Americans were now moving in that direction.

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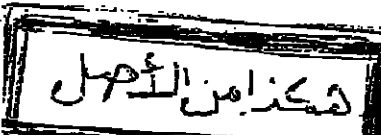
Summary of our Annual Report 1977

| 1976 | | 1977 |
|------------------|---------------------------|------------------|
| DM 2,653 million | Business Volume | DM 2,864 million |
| DM 2,451 million | Total Assets | DM 2,642 million |
| DM 2,226 million | Deposits | DM 2,362 million |
| DM 1,329 million | Bills and Advances | DM 1,509 million |
| DM 110 million | Capital | DM 110 million |
| DM 7,213 million | Consolidated Total Assets | DM 7,861 million |

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Cologne/Frankfurt, April 1978



Uncluttered road to success

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

WITH THE Budget behind it, will buoy up car sales for the rest of the year.

This is just the sort of Budget which is favoured by the industry. For years, it has been telling the Chancellor that it wants as few fiscal changes as possible, so that it can plan on a long-term basis. Shifts in the taxation system in the past, it argues, would be a little over 1.4m. But sales last month, at 179,000, were the best ever achieved in March, and some manufacturers now believe that the market could reach 1.6m. for the year.

This would compare with the 1.65m. achieved in 1973, and the 1.6m. in 1972.

The Budget will certainly do nothing to damage this target. The Chancellor has left the industry entirely alone, while, it believes, creating a slightly better business climate which

will buoy up car sales for the rest of the year.

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PARLIAMENT AND POLITICS

Barnett hints at mini-budget after Bonn economic summit

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A STRONG hint that the Chancellor of the Exchequer intends to introduce a mini-budget after the Bonn summit was given by Mr. Geoffrey Howe, Secretary to the Treasury, yesterday.

Speaking in the opening stages of the three-day debate on Tuesday's Budget, he made a harsh attack on artificial tax avoidance schemes and gave full backing to Mr. Healey's proposals for introducing retrospective legislation to eliminate some of them.

He also told the House that in future the Government would try to legislate against objectionable avoidance schemes to stamp them out immediately they start.

In addition, Mr. Barnett said that the Government would, at some date, like to extend the new lower band of 25 per cent. income tax rate in order to embrace more workers.

He was replying to Sir Geoffrey Howe, shadow Chancellor, who attacked the Budget proposals and called for an entirely fresh approach. Sir Geoffrey saw a grave risk that the Chancellor would be reduced to a mere figurehead in the Treasury, if the Government were to introduce a new income tax rate.

Promising that a Tory Government would reduce the level of income tax to, or below, that prevailing when the last Conservative Government left office, Sir Geoffrey said: "The Budget is nothing more than a short-term response to pressures of short-term influences."

From the Government front bench, Mr. Barnett argued that the Budget was a necessary contribution to world trade expansion. There were, however, very strict limits to what could be achieved against a slow background in world trade.

"I am hopeful that the world summit in July will make it possible to do more," he added. This brought shouts from the Tories, who demanded further elucidation. But Mr. Barnett merely taunted them with bluffs of further budgetary measures to come later this year.

"Getting worried by what we might do at the end of July?" he jeered.

On tax avoidance, he emphasised that he was referring to schemes that were totally artificial, with no real financial or commercial results other than a fee to the organiser and a large reduction in tax to the detriment of all other taxpayers. Those who sold the schemes had others ready on the shelf as soon as one was countered.

In the past, he said, the House had been reluctant to approve retrospective legislation, but had done so back to the date when the scheme was first detected. But there had always been a period of secrecy, during which the makers of the schemes and their customers benefited before the legislation could take effect. They knew the situation and planned accordingly.

"I hope the House will agree that this is wholly unsatisfactory and that we can show those

concerned that for the future the game is just not worth the risk," he declared.

He proposed that the Government should legislate in each case as it came to its attention in such a way as to remove all tax advantages of a scheme from the outset. This should be done without harming those who genuinely engaged in any commercial transactions which the artificial arrangement might be attached.

He explained that in the years 1973-76 tax avoidance from such schemes was of the order of £200m. But last year, there had been a real escalation. In 1977-78 alone, the sum involved was £200m, and now the Government knew of a single claim which was seeking to establish a loss of £100m.

"We gave it to the ordinary taxpayers to stop it," he said. "If, in the process, those who play with fire in this way get their fingers burned, I hope we shall shed a few tears for them."

Turning to the reduced tax band of 25 per cent. announced in the Budget, he recalled that this would apply to 4m. people. "One this as a start on the road to making it the basic rate in five years for millions more," he declared.

For the Opposition, Sir Geoffrey attacked the Chancellor's "astonishing" economic record. Gross Domestic Product was well below the level of five years ago. Living standards were down, the pound had halved its value and unemployment had almost trebled.

Money supply was turning out this year ahead of the top limit of the monetary targets and the Tories took no comfort from the fact that next year's monetary target was only slightly below this year's.

Next year public expenditure was going to increase by 6 per cent. "The Budget contained massive increases in public expenditure and tax cuts administered in the wrong way. It was hostile to skill, to jobs, to enterprise, to job and wealth creators and to enterprise."

The total tax changes proposed in the Budget would, he said, mean that a man earning above £15 a week would find the reduction almost entirely offset by the increase in National Insurance contributions.

Mr. Ffrench said that the only means of an increase of 14p a week on the average pay packet. The person on £120 a week would see a considerable increase off as a result of the tax changes and the increase in National Insurance contributions.

The thought it was more like a tribute to the site of the new Liverpool Teaching Hospital, whose costs have risen from £11m. to more than £50m. and which was "tending to the category of a major scandal," in Mr. du Cann's words, yesterday.

He said that the decision was not to go public for the rest of this Parliamentary session. And so far, at any rate, Whitehall's worries over lurid Press coverage have proved unfounded.

Mr. Edward du Cann, MP for Taunton and the committee's chairman, yesterday added his word of caution.

He declared: "I do not want to turn the PAC into an advertising agency's dream. We have our work to do. I do not want members of the committee playing

in grave danger of being over-looked. Tuesday's increase in the minimum wage was like a shopkeeper putting his goods on display at the same time as setting off the alarm bell."

"The time has come to recognise that we need an entirely fresh approach to these problems that is exactly what we haven't got. The Budget is unlikely to make a significant change in the economy. Capital was lying idle in the U.K. We should be opening up the barriers of exchange control to provide opportunities overseas for that money."

On taxation, he said there was no room for an increase in public spending if we were to have room to manoeuvre in getting the tax burden changed. We must be prepared to shift the burden from taxes on income to taxes on spending.

Tax thresholds should be raised well beyond the level of supplementary benefit and the top rate of tax should be brought down at least to 60 per cent. to restore the real value of the higher rate bands.

Sir Geoffrey did not think that the help for small businesses in the Budget went far enough to compensate for the damage already inflicted on them by the Government. He also thought that the profit-sharing scheme proposed for employees was only a modest step in the right direction.

By Our Parliamentary Staff

THE GOVERNMENT offered yesterday to help house builders overcome local shortages of building land. Mr. Reginald Ffrench, Minister for Housing and Construction, said he had invited the Housebuilders' Federation to identify, as far as they are able, specific areas where there were problems.

"I will be glad to pursue these problems and to advise local authorities to buy land under the Community Land Act powers where there are local shortages made evident to me by housebuilders."

Mr. Ffrench said that in the country as a whole there was enough land with planning permission for six years' housebuilding at current rates. But there were local problems about land supply.

The Minister disclosed that he would be having talks with local authorities to try to persuade them to step up council house building programmes.

He joined with Labour MPs in criticising some Tory-controlled authorities for cutting back on council house programmes in areas where there was a need for public sector housing.

NEW AID planned for owner-occupier to help them insulate their homes was criticised as inadequate by Tory MPs in the Commons yesterday.

Mr. Michael Latham (C. Melton) said that a grant of up to £500 to a maximum of £250 would not insulate "even a quarter of a loft." It was a "piffling" sum.

Mr. Peter Shore, Environment Secretary, said that the aid—66 per cent. of certified expenditure up to a maximum of £250—would be administered by local authorities and kept as simple as possible.

The grant would cover insulation of roof spaces and lagging tanks and pipes. It was "basic insulation of the kind most people think is well worth doing," he added.

Fund allocates £85m. to U.K.

THE European Social Fund made allocations totalling £85.1m. to the U.K. last year, Mr. John Grant, Employment Under Secretary, said in a Commons written reply.

He said that £76.3m. had been allocated to Government training schemes. Of this, the training opportunities scheme in assisted areas received £25m. and the Government's special measures to alleviate unemployment about £12.5m.

Britain's allocation from the social fund in 1976 was £44.1m.

Working party on town halls pay award

By Our Labour Staff

A JOINT working party of employer and union representatives is being set up to try to formulate a pay award for more than 450,000 local government administrative, technical and supervisory staff.

The employers were presented yesterday with a claim from all the unions involved for substantial rises, a shorter working week and improvements in holidays and fringe benefits.

The National and Local Government Officers' Association, biggest among the staff unions, is holding a special pay conference on June 2. The settlement is due from July 1.

Liberal MPs will vote for higher cuts in income tax than those proposed by the Chancellor, Mr. David Steel, Liberal leader, assured the Commons last night in the resumed debate on the Budget.

But the party has yet to decide whether to support a reduction in the standard rate from the present 34 per cent. or attempt to widen the new 25 per cent. lower rate on the first £750 of taxable income.

Mr. Steel accused the Chancellor of having been "rather timid" and chided him for failing to give the psychological stimulus particularly in relation to higher rate taxpayers, which would have been produced had he followed the more expansionist strategy advocated by the Liberals in pre-Budget consultations with Treasury Ministers.

The pressures within the Liberal ranks for ending the Lib-Lab pact were highlighted by an intervention from Mr. Cyril Smith (Rochdale) who called on his leader to make it clear that if an amendment were moved during the committee stage of the Finance Bill to reduce the standard rate, members of this party will vote for that amendment.

Mr. Steel replied that this was one option open to Liberals MPs while another would be to seek to widen the new lower rate band, the narrowness of which he had

earlier described as "particularly disappointing."

Liberal MPs would certainly pursue one of these options but a final decision should await the re-casting of the party's budgetary proposals.

Mr. Steel complained that there had been a failure of nerve by the Chancellor when he shied away from making a substantial

reduction in the burden of income-tax at the upper level. It was intolerable that Britain should have such swiftly rising rates of income-tax, culminating in 83 per cent.

He recalled that the Liberals had suggested a 1 per cent. or 1½ per cent. increase in the employers' National Insurance contribution as a means of meeting the cost involved in reducing the higher rate and claimed that reactions from employers to the proposal had been generally favourable.

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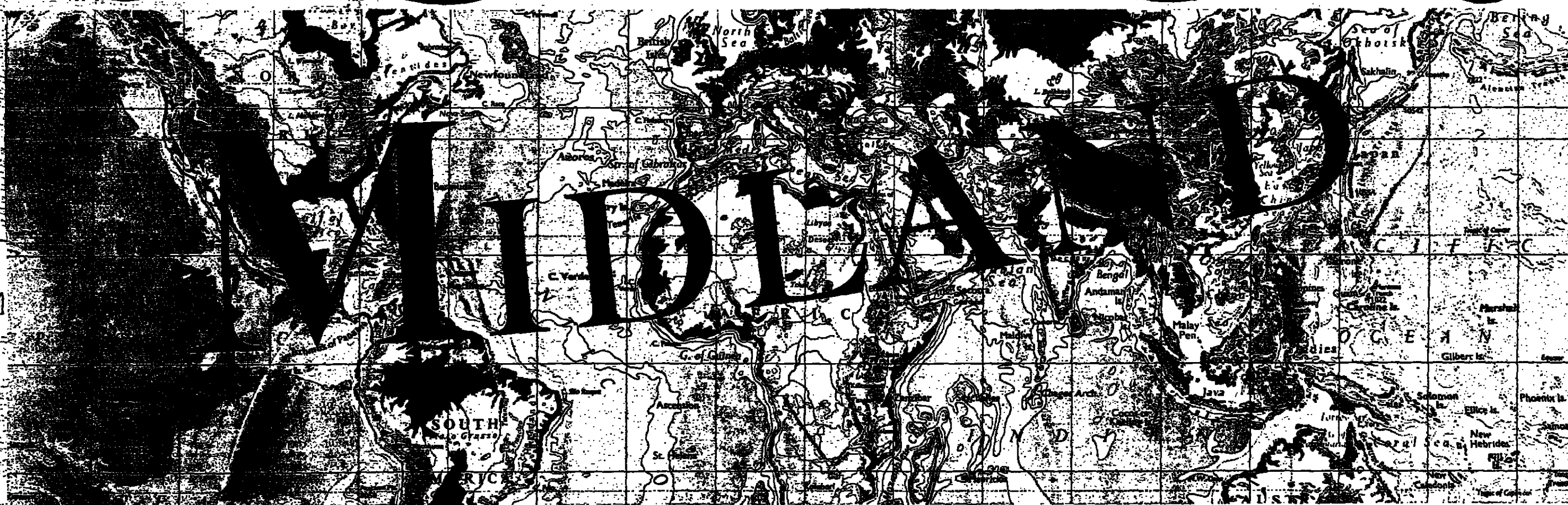
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| COUPON DEBENTURES OF \$1,000 PRINCIPAL AMOUNT OUTSTANDING | | | | | | | | | |
|---|------|------|------|------|------|------|------|------|-------|
| 3 | 1293 | 3332 | 3611 | 4887 | 6036 | 7197 | 8274 | 9282 | 10308 |
| 10 | 1297 | 3401 | 3617 | 4896 | 6047 | 7203 | 8280 | 9289 | 10309 |
| 18 | 1298 | 3406 | 3622 | 4901 | 6052 | 7208 | 8285 | 9294 | 10314 |
| 19 | 1311 | 3411 | 3627 | 4906 | 6057 | 7213 | 8290 | 9300 | 10319 |
| 20 | 1312 | 3416 | 3632 | 4911 | 6062 | 7218 | 8295 | 9305 | 10324 |
| 21 | 1313 | 3421 | 3637 | 4916 | 6067 | 7223 | 8300 | 9310 | 10329 |
| 22 | 1314 | 3426 | 3642 | 4921 | 6072 | 7228 | 8305 | 9315 | 10334 |
| 23 | 1315 | 3431 | 3647 | 4926 | 6077 | 7233 | 8310 | 9320 | 10339 |
| 24 | 1316 | 3436 | 3652 | 4931 | 6082 | 7238 | 8315 | 9325 | 10344 |
| 25 | 1317 | 3441 | 3657 | 4936 | 6087 | 7243 | 8320 | 9330 | 10349 |
| 26 | 1318 | 3446 | 3662 | 4941 | 6092 | 7248 | 8325 | 9335 | 10354 |
| 27 | 1319 | 3451 | 3667 | 4946 | 6097 | 7253 | 8330 | 9340 | 10359 |
| 28 | 1320 | 3456 | 3672 | 4951 | 6102 | 7258 | 8335 | 9345 | 10364 |
| 29 | 1321 | 3461 | 3677 | 4956 | 6107 | 7263 | 8340 | 9350 | 10369 |
| 30 | 1322 | 3466 | 3682 | 4961 | 6112 | 7268 | 8345 | 9355 | 10374 |
| 31 | 1323 | 3471 | 3687 | 4966 | 6117 | 7273 | 8350 | 9360 | 10379 |
| 32 | 1324 | 3476 | 3692 | 4971 | 6122 | 7278 | 8355 | 9365 | 10384 |
| 33 | 1325 | 3481 | 3697 | 4976 | 6127 | 7283 | 8360 | 9370 | 10389 |
| 34 | 1326 | 3486 | 3702 | 4981 | 6132 | 7288 | 8365 | 9375 | 10394 |
| 35 | 1327 | 3491 | 3707 | 4986 | 6137 | 7293 | 8370 | 9380 | 10399 |
| 36 | 1328 | 3496 | 3712 | 4991 | 6142 | 7298 | 8375 | 9385 | 10404 |
| 37 | 1329 | 3501 | 3717 | 4996 | 6147 | 7303 | 8380 | 9390 | 10409 |
| 38 | 1330 | 3506 | 3722 | 5001 | 6152 | 7308 | 8385 | 9395 | 10414 |
| 39 | 1331 | 3511 | 3727 | 5006 | 6157 | 7313 | 8390 | 9400 | 10419 |
| 40 | 1332 | 3516 | 3732 | 5011 | 6162 | 7318 | 8395 | 9405 | 10424 |
| 41 | 1333 | 3521 | 3737 | 5016 | 6167 | 7323 | 8400 | 9410 | 10429 |
| 42 | 1334 | 3526 | 3742 | 5021 | 6172 | 7328 | 8405 | 9415 | 10434 |
| 43 | 1335 | 3531 | 3747 | 5026 | 6177 | 7333 | 8410 | 9420 | 10439 |
| 44 | 1336 | 3536 | 3752 | 5031 | 6182 | 7338 | 8415 | 9425 | 10444 |
| 45 | 1337 | 3541 | 3757 | 5036 | 6187 | 7343 | 8420 | 9430 | 10449 |
| 46 | 1338 | 3546 | 3762 | 5041 | 6192 | 7348 | 8425 | 9435 | 10454 |
| 47 | 1339 | 3551 | 3767 | 5046 | 6197 | 7353 | 8430 | 9440 | 10459 |
| 48 | 1340 | 3556 | 3772 | 5051 | 6202 | 7358 | 8435 | 9445 | 10464 |
| 49 | 1341 | 3561 | 3777 | 5056 | 6207 | 7363 | 8440 | 9450 | 10469 |
| 50 | 1342 | 3566 | 3782 | 5061 | 6212 | 7368 | 8445 | 9455 | 10474 |
| 51 | 1343 | 3571 | 3787 | 5066 | 6217 | 7373 | 8450 | 9460 | 10479 |
| 52 | 1344 | 3576 | 3792 | 5071 | 6222 | 7378 | 8455 | 9465 | 10484 |
| 53 | 1345 | 3581 | 3797 | 5076 | 6227 | 7383 | 8460 | 9470 | 10489 |
| 54 | 1346 | 3586 | 3802 | 5081 | 6232 | 7388 | 8465 | 9475 | 10494 |
| 55 | 1347 | 3591 | 3807 | 5086 | 6237 | 7393 | 8470 | 9480 | 10499 |
| 56 | 1348 | 3596 | 3812 | 5091 | 6242 | 7398 | 8475 | 9485 | 10504 |
| 57 | 1349 | 3601 | 3817 | 5096 | 6247 | 7403 | 8480 | 9490 | 10509 |
| 58 | 1350 | 3606 | 3822 | 5101 | 6252 | 7408 | 8485 | 9495 | 10514 |
| 59 | 1351 | 3611 | 3827 | 5106 | 6257 | 7413 | 8490 | 9500 | 10519 |
| 60 | 1352 | 3616 | 3832 | 5111 | 6262 | 7418 | 8495 | 9505 | 10524 |
| 61 | 1353 | 3621 | 3837 | 5116 | 6267 | 7423 | 8500 | 9510 | 10529 |
| 62 | 1354 | 3626 | 3842 | 5121 | 6272 | 7428 | 8505 | 9515 | 10534 |
| 63 | 1355 | 3631 | 3847 | 5126 | 6277 | 7433 | 8510 | 9520 | 10539 |
| 64 | 1356 | 3636 | 3852 | 5131 | 6282 | 7438 | 8515 | 9525 | 10544 |
| 65 | 1357 | 3641 | 3857 | 5136 | 6287 | 7443 | 8520 | 9530 | 10549 |
| 66 | 1358 | 3646 | 3862 | 5141 | 6292 | 7448 | 8525 | 9535 | 10554 |
| 67 | 1359 | 3651 | 3867 | 5146 | 6297 | 7453 | 8530 | 9540 | 10559 |
| 68 | 1360 | 3656 | 3872 | 5151 | 6302 | 7458 | 8535 | 9545 | 10564 |
| 69 | 1361 | 3661 | 3877 | 5156 | 6307 | 7463 | 8540 | 9550 | 10569 |
| 70 | 1362 | 3666 | 3882 | 5161 | 6312 | 7468 | 8545 | 9555 | 10574 |
| 71 | 1363 | 3671 | 3887 | 5166 | 6317 | 7473 | 8550 | 9560 | 10579 |
| 72 | 1364 | 3676 | 3892 | 5171 | 6322 | 7478 | 8555 | 9565 | 10584 |
| 73 | 1365 | 3681 | 3897 | 5176 | 6327 | 7483 | 8560 | 9570 | 10589 |
| 74 | 1366 | 3686 | 3902 | 5181 | 6332 | 7488 | 8565 | 9575 | 10594 |
| 75 | 1367 | 3691 | 3907 | 5186 | 6337 | 7493 | 8570 | 9580 | 10599 |
| 76 | 1368 | 3696 | 3912 | 5191 | 6342 | 7498 | 8575 | 9585 | 10604 |
| 77 | 1369 | 3701 | 3917 | 5196 | 6347 | 7503 | 8580 | 9590 | 10609 |
| 78 | 1370 | 3706 | 3922 | 5201 | 6352 | 7508 | 8585 | 9595 | 10614 |
| 79 | 1371 | 3711 | 3927 | 5206 | 6357 | 7513 | 8590 | 9600 | 10619 |
| 80 | 1372 | 3716 | 3932 | 5211 | 6362 | 7518 | 8595 | 9605 | 10624 |
| 81 | 1373 | 3721 | 3937 | 5216 | 6367 | 7523 | 8600 | 9610 | 10629 |
| 82 | 1374 | 3726 | 3942 | 5221 | 6372 | 7528 | 8605 | 9615 | 10634 |
| 83 | 1375 | 3731 | 3947 | 5226 | 6377 | 7533 | 8610 | 9620 | 10639 |
| 84 | 1376 | 3736 | 3952 | 5231 | 6382 | 7538 | 8615 | 9625 | 10644 |
| 85 | 1377 | 3741 | 3957 | 5236 | 6387 | 7543 | 8620 | 9630 | 10649 |
| 86 | 1378 | 3746 | 3962 | 5241 | 6392 | 7548 | 8625 | 9635 | 10654 |
| 87 | 1379 | 3751 | 3967 | 5246 | 6397 | 7553 | 8630 | 9640 | 10659 |
| 88 | 1380 | 3756 | 3972 | 5251 | 6402 | 7558 | 8635 | 9645 | 10664 |
| 89 | 1381 | 3761 | 3977 | 5256 | 6407 | 7563 | 8640 | 9650 | 10669 |
| 90 | 1382 | 3766 | 3982 | 5261 | 6412 | 7568 | 8645 | 9655 | 10674 |
| 91 | 1383 | 3771 | 3987 | 5266 | 6417 | 7573 | 8650 | 9660 | 10679 |
| 92 | 1384 | 3776 | 3992 | 5271 | 6422 | 7578 | 8655 | 9665 | 10684 |
| 93 | 1385 | 3781 | 3997 | 5276 | 6427 | 7583 | 8660 | 9670 | 10689 |
| 94 | 1386 | 3786 | 4002 | 5281 | 6432 | 7588 | 8665 | 9675 | 10694 |
| 95 | 1387 | 3791 | 4007 | 5286 | 6437 | 7593 | 8670 | 9680 | 10699 |
| 96 | 1388 | 3796 | 4012 | 5291 | 6442 | 7598 | 8675 | 9685 | 10704 |
| 97 | 1389 | 3801 | 4017 | 5296 | 6447 | 7603 | 8680 | 9690 | 10709 |
| 98 | 1390 | 3806 | 4022 | 5301 | 6452 | 7608 | 8685 | 9695 | 10714 |
| 99 | 1391 | 3811 | 4027 | 5306 | 6457 | 7613 | 8690 | 9700 | 10719 |
| 100 | 1392 | 3816 | 4032 | 5311 | 6462 | 7618 | 8695 | 9705 | 10724 |
| 101 | 1393 | 3821 | 4037 | 5316 | 6467 | 7623 | 8700 | 9710 | 10729 |
| 102 | 1394 | 3826 | 4042 | 5321 | 6472 | 7628 | 8705 | 9715 | 10734 |
| 103 | 1395 | 3831 | 4047 | 5326 | 6477 | 7633 | 8710 | 9720 | 10739 |
| 104 | 1396 | 3836 | 4052 | 5331 | 6482 | 7638 | 8715 | 9725 | 10744 |
| 105 | 1397 | 3841 | 4057 | 5336 | 6487 | 7643 | 8720 | 9730 | 10749 |
| 106 | 1398 | 3846 | 4062 | 5341 | 6492 | 7648 | 8725 | 9735 | 10754 |
| 107 | 1399 | 3851 | 4067 | 5346 | 6497 | 7653 | 8730 | 9740 | 10759 |
| 108 | 1400 | 3856 | 4072 | 5351 | 6502 | 7658 | 8735 | 9745 | 10764 |
| 109 | 1401 | 3861 | 4077 | 5356 | 6507 | 7663 | 8740 | 9750 | 10769 |
| 110 | 1402 | 3866 | 4082 | 5361 | 6512 | 7668 | 8745 | 9755 | 10774 |
| 111 | 1403 | 3871 | 4087 | 5366 | 6517 | 7673 | 8750 | 9760 | 10779 |
| 112 | 1404 | 3876 | 4092 | 5371 | 6522 | 7678 | 8755 | 9765 | 10784 |
| 113 | 1405 | 3881 | 4097 | 5376 | 6527 | 7683 | 8760 | 9770 | 10789 |
| 114 | 1406 | 3886 | 4102 | 5381 | 6532 | 7688 | 8765 | 9775 | 10794 |
| 115 | 1407 | 3891 | 4107 | 5386 | 6537 | 7693 | 8770 | 9780 | 10799 |
| 116 | 1408 | 3896 | 4112 | 5391 | 6542 | 7698 | 8775 | 9785 | 10804 |
| 117 | 1409 | 3901 | 4117 | 5396 | 6547 | 7703 | 8780 | 9790 | 10809 |
| 118 | 1410 | 3906 | 4122 | 5401 | 6552 | 7708 | 8785 | 9795 | 10814 |
| 119 | 1411 | 3911 | 4127 | 5406 | 6557 | 7713 | 8790 | 9800 | 10819 |
| 120 | 1412 | 3916 | 4132 | 5411 | 6562 | 7718 | 8795 | 9805 | 10824 |
| 121 | 1413 | 3921 | 4137 | 5416 | 6567 | 7723 | 8800 | 9810 | 10829 |
| 122 | 1414 | 3926 | 4142 | 5421 | 6572 | 7728 | 8805 | 9815 | 10834 |
| 123 | 1415 | 3931 | 4147 | 5426 | 6577 | 7733 | 8810 | 9820 | 10839 |
| 124 | 1416 | 3936 | 4152 | 5431 | 6582 | 7738 | 8815 | 9825 | 10844 |
| 125 | 1417 | 3941 | 4157 | 5436 | 6587 | 7743 | 8820 | 9830 | 10849 |
| 126 | 1418 | 3946 | 4162 | 5441 | 6592 | 7748 | 8825 | 9835 | 10854 |
| 127 | 1419 | 3951 | 4167 | 5446 | 6597 | 7753 | 8830 | 9840 | 10859 |
| 128 | 1420 | 3956 | 4172 | 5451 | 6602 | 7758 | 8835 | 9845 | 10864 |
| 129 | 1421 | 3961 | 4177 | 5456 | 6607 | 7763 | 8840 | 9850 | 10869 |
| 130 | 1422 | 3966 | 4182 | 5461 | 6612 | 7768 | 8845 | 9855 | 10874 |
| 131 | 1423 | 3971 | 4187 | 5466 | 6617 | 7773 | 8850 | 9860 | 10879 |
| 132 | 1424 | 3976 | 4192 | 5471 | 6622 | 7778 | 8855 | 9865 | 10884 |
| 133 | 1425 | 3981 | 4197 | 5476 | 6627 | 7783 | 8860 | 9870 | 10889 |
| 134 | 1426 | 3986 | 4202 | 5481 | 6632 | 7788 | 8865 | 9875 | 10894 |
| 135 | 1427 | 3991 | 4207 | 5486 | 6637 | 7793 | 8870 | 9880 | 10899 |
| 136 | 1428 | 3996 | 4212 | 5491 | 6642 | 7798 | 8875 | 9885 | 10904 |
| 137 | 1429 | 4001 | 4217 | 5496 | 6647 | 7803 | 8880 | 9890 | 10909 |
| 138 | 1430 | 4006 | 4222 | 5501 | 6652 | 7808 | 8885 | 9895 | 10914 |
| 139 | 1431 | 4011 | 4227 | 5506 | 6657 | 7813 | 8890 | 9900 | 10919 |
| 140 | | | | | | | | | |

We deliver.



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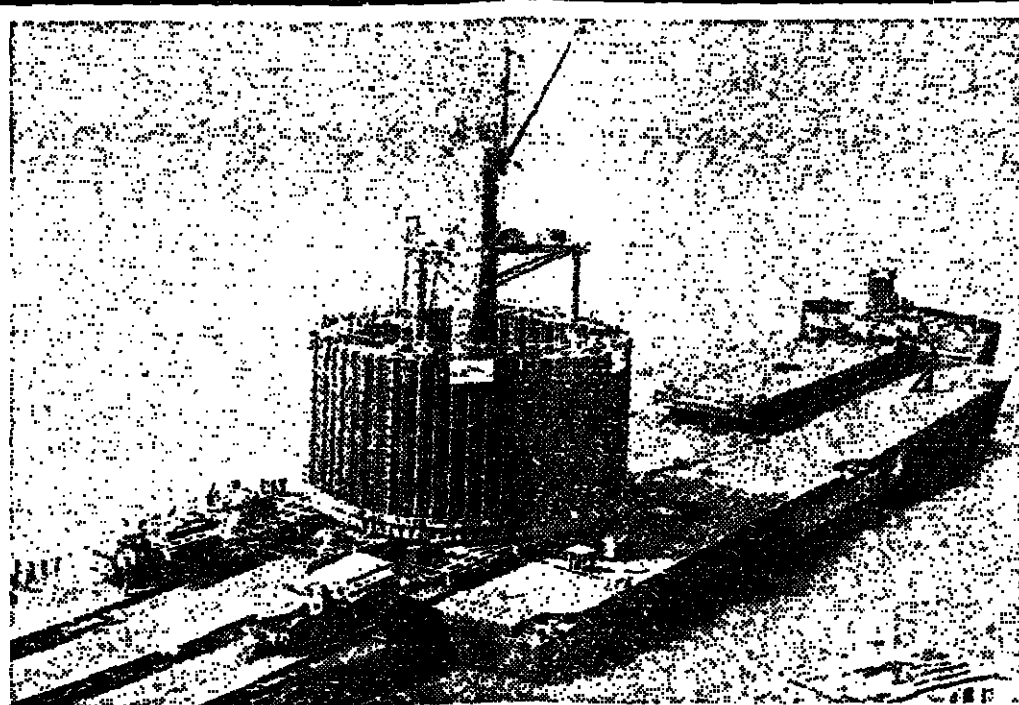
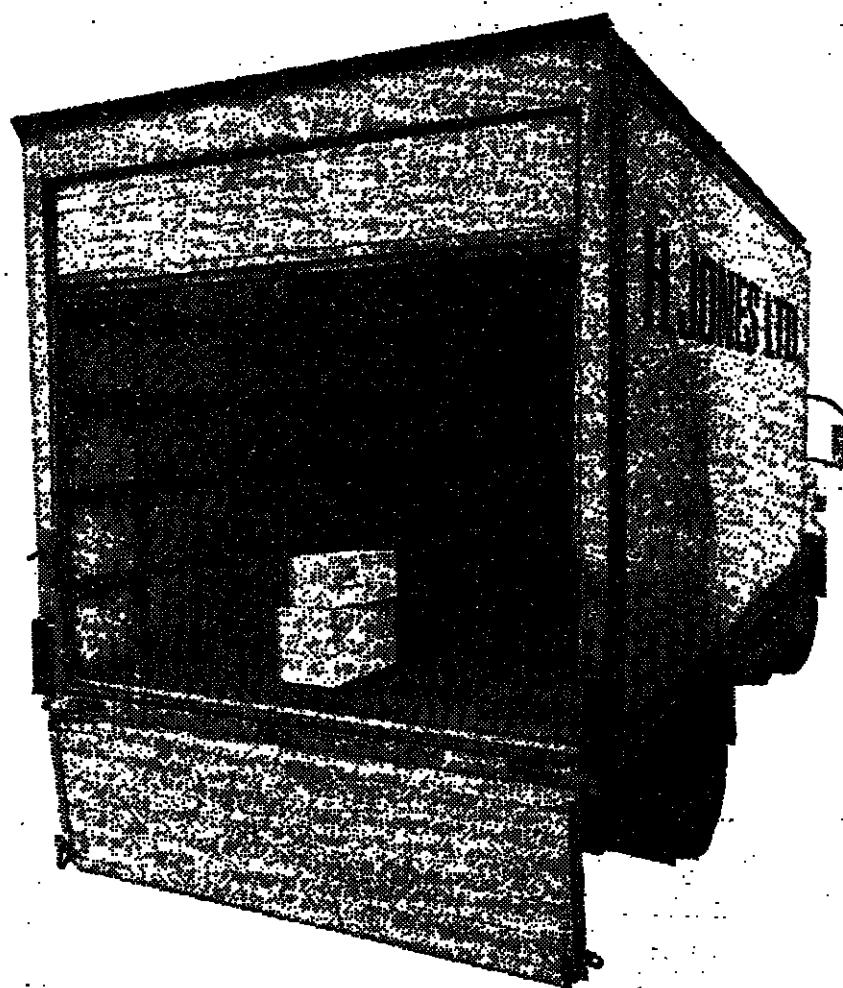
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The big new
name in
engineering**NEI**
NORTHERN ENGINEERING INDUSTRIES
A MERGER OF
CLARKE CHAPMAN
& REYROLLE PARSONSally a flat bed unit with position
of camera and bed reversed,
coupled with paper feed arrange-
ments normally associated with
copying machines.Documents are fed through at
up to 2700/hr, face down on the
glass bed and are held stationary
while the exposure (which is
automatically controlled) takes
place. There are arrangements
to stop the unit automatically to
deal with double-sided docu-
ments, and the machine is con-
trolled by a microprocessor.Film gauge is 16mm, and a
cassette peculiar to the machine
is employed. Main appeal of the
camera is that it offers the
recording quality of the flat bed
or planetary machine, at about
three times the speed.The company has also put a
new reader-printer on the
market that will accept roll film
and standard cartridges. It has
a DC motor that provides very
slow bi-directional "inching"
drive and also speeds up to about
711/sec.More from the company at 33-
35 Wondthorpe Road, Ashford,
Middlesex TW15 2RJ (Ashford
01234).**PHOTOGRAPHY**
Expansion
at Bell and
HowellALTHOUGH the company
already has limited manufac-
turing facilities in the U.K. and
Germany, Bell and Howell has
recently taken the decision to set
up a major plant for its Business
Equipment Division in Dublin.The plant, occupying 35,000
square feet of floor space and
capable of extension to 90,000
square feet, will come on stream
in July and will be making micro-
film equipment for the European
market. The company's decision
to set it up springs largely from
the mounting costs of bringing
the U.S.-made products into
Europe. Items such as micro-
film readers for example, selling
for perhaps \$200, have cost \$40
to bring in. There have appar-
ently also been some problems
in manufacturing to European
standards in the U.S.To date about \$1m. have been
invested in the Dublin operation,
a figure expected to rise to \$4m.
by 1983.The company has also an-
nounced a pair of new products
in the microfilm area, a camera
and a reader.The camera takes a new
approach to the filming of docu-
ments by combining flat bed and
rotary techniques. It is essen-tially a flat bed unit with position
of camera and bed reversed,
coupled with paper feed arrange-
ments normally associated with
copying machines.Documents are fed through at
up to 2700/hr, face down on the
glass bed and are held stationary
while the exposure (which is
automatically controlled) takes
place. There are arrangements
to stop the unit automatically to
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or planetary machine, at about
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new reader-printer on the
market that will accept roll film
and standard cartridges. It has
a DC motor that provides very
slow bi-directional "inching"
drive and also speeds up to about
711/sec.More from the company at 33-
35 Wondthorpe Road, Ashford,
Middlesex TW15 2RJ (Ashford
01234).**COLOUR MATCHING****Fiche gets right tint**IN THE ICI weight mixing
system used by many vehicle re-
finers in the U.K. the mixing
formulae of 8,500 paint colours
are now being held on micro-
fiche instead of cards.The original system had
involved the re-issue of up to
200 cards each month to each ICI
user. Now six fiche—postcard-
sized pieces of film each holding
1,500 formulae—are posted
instead.Fiche are automatically pro-
duced direct from computer tapes
using computer output microfilm
techniques provided by Microgen
on a bureau basis.The speed, ease of distribution
and simplicity of up-dating via
the computer means that the ICI
paints division are able to issue
completely new sets of records
every month, on six fiche.Users simply select the appro-
priate fiche (there is an eye-
legible index along its top edge)
and put it into the reader to
obtain an enlarged illuminated
image; the fiche carrier is then
moved to show the wanted for-
mula. Flame-proofed readers are
used and a typical machine, from
Bell and Howell for example,
costs £150. More on Slough
01151.**BANKING****Carries out a variety**
of transactionsFOLLOWING four years of
experience with self-service fi-
nancial terminals for public use
during which some 240 of the
model 770 were sold to Barclays
and National Westminster, NCR
has announced the second gen-
eration machine, the 1780.Developed and manufactured
in Buxton, the 1780 is compat-
ible with the older machine and
will carry out the same trans-
actions—but it is smaller,
lighter and easier to install.
Barclays has ordered 100.
The terminal now has a micro-
computer with up to 128k of
memory enabling it to be
tailored to the needs of each
bank or branch; it can be pro-grammed to carry out a wide
variety of transactions, and will
also operate on or off line to a
central computer. Standing alone
the terminal captures data on a
cassette of tape for later process-
ing.Mounted through the wall of
a bank, for example, the 1780
will allow customers with an
appropriate magnetic striped
card to withdraw cash and also
carry out a number of
banking routines such as account
inquiry, cheque book request,
bill payment by account transfer,
or cash deposit. Security features
include an in-terminal file of lost
or stolen cards. More on 01-723
7070.This 1,150-tonne structure, seen here being
loaded on to a pontoon near Southampton, is
now resting on the seabed in Christchurch Bay
in the English Channel. It has been devised
to provide wave measurement data to the
National Maritime Institute at Calshot. Launch-
ing was carried out by Mears Construction using
a Dutch submersible pontoon system in con-
junction with multi-wheeled bogies, both of
which were supplied by Mammoet Gorkoop.
Once aboard the pontoon, the 20 metres high
steel tower was towed into Southampton Water,
where it was floated off. To provide buoyancy,
four steel caissons were bolted on to fixing
plates cast into the concrete base of the tower,which was then towed out to its permanent
location and sunk in 7 metres of water. The
tower, which will contain computing equipment
and instruments, will be used initially for
securing and recording data relating to forces
and pressures acting on vertical cylinders
and thus provide useful information for the
designers and builders of offshore structures
such as oil platforms. The tower is unmanned
and data will reach the shore via cables. It is
understood that as soon as the initial Depart-
ment of Energy funded programme is completed
the tower will be available to industry for other
research projects. Consulting engineers for this
project are Sir William Halcrow and Partners.**EXHIBITIONS****Handling**
in LondonTHE AIM of the 2nd Storage
Handling and Distribution
Exhibition at Olympia (April 18-
21) is to show how to get maxi-
mum efficiency and cost effective-
ness out of storage, internal
materials handling, loading areas
and distribution services.One of the highlights of
SHD 78—the only major storage
and handling equipment show to
take place this year in the U.K.—
will be the U.K. launching of
a new range of fork-lift trucks
and the introduction of a fork
truck for attaching to lorry tail-
boards so that they can unload
themselves at destination.The French will show a range
of stacker cranes, a Swedish
pedestrian truck made specially
for use in supermarkets will be
featured and the Canadians will
exhibit scissor lifts and dock
levelers.**INSTRUMENTS****Keeps data**
lines cleanDATA LINE analyser of a new
design from Hewlett-Packard
measures both steady-state param-
eters and transients, simultane-
ously.Model 3771A data line analyser,
is compatible with CCITT stand-
ards and is for "troubleshooting"
measurements on high-speed data
lines.It can be used either as a stand-
alone test instrument or as part
of an automatic test system. An
option, to be available in August,
will allow the 3771A to be con-
trolled via the Hewlett-Packard
interface bus.R.F.P. King Street Lane, Win-
nersh, Wokingham, Berks. RG11
5AR. Wokingham 784779.**PRINTING****Makes holes**
in paperAMONG THE latest additions to
the range of print finishing
equipment, manufactured by
Worsley-Bremer is a multiple
punching machine for producing
various sizes of round or
irregularly shaped holes in
sheets of paper.The machine is controlled by a
pedal and any number of holes
can be produced simultaneously
up to the full 33-inch width of
the sheets. Maximum thickness
of sheet stock for punching in
one operation is 1 inch.Details of this machine can be
obtained direct from the com-
pany at Charnock Road, Liver-
pool L9 7EQ.By agreement between the
Financial Times and the BBC,
information from The Technical
Page is available for use by the
Corporation's External Services
as source material for its over-
seas broadcasts.**SAFETY****Controlled**
filling of
tankersAN AUTOMATIC shut off device
is the essential component of an
overspill prevention unit for road
tankers, developed in concert by
Total Oil and John Davis
(Derby).With the majority of to-day's
product tankers comprising a
number of compartments with top
filler openings, there is a con-
stant risk in filling. Petrol and
other chemical products are now
pumped into the tankers in huge
quantities and accidental spillage
can create fire hazards arising
from build-up of static charges.The Davis Fill-Safe unit, which
is installed on the terminal
gantry and mounted on the load-
body it controls, consists of a
body designed to fit over the rim
of the tank hatch, with a micro
switch only activated when the
body of the unit is correctly
positioned on the rim and
securely held there by spring
operated holding clamps.From the main body of the
unit, protruding into the tanker
compartment, is a short tube
containing a float switch which
activates only when the product
within the tank exceeds the
allowed level.More from Davis at 20 Alfreton
Road, Derby DE2 4AB. 0332
41871.**RESEARCH****Contactless follower**A PRECISE and responsive
instruments include gauging of pro-
ducts during or after manufac-
ture, following cams or patterns,
measuring the level of liquids or
the vibration of structures, and
aligning or positioning objects
—all of course without touching.The active parts of the contact-
less followers are a linear dis-
placement transducer and a serv-
omotor for positioning the
mechanical linkage between the
two transducers.The principal measuring
element is the displacement
transducer. This is kept at the
set (constant) distance from the
"followed" surface by the servo-
actuator, which is signalled by
the proximity transducer. The
latter is a capacitive device in
the instrument now in use at the
university, but acoustic, pneu-
matic or photo-electric devices
could be employed on surfaces
not responsive to capacitive
transducers.Other features of the present
model are linear rack and pinion
drive with maximum velocity
1.2 metres a second and maxi-
mum acceleration 80 metres per
second per second and a
printed-circuit dc motor with an
11-millisecond time constant.
The displacement transducer is
inductive.Dr. John Flower, School of
Engineering and Applied
Sciences, University of Sussex,
Falmer, Brighton, Sussex BN1
9QJ. Brighton (0273) 66785.
surface. Uses foreseen by the
extension 90.**NORTH SEA OIL****Connects**
undersea
pipelinesTHE FIRST commercial installa-
tion of Star Subsea Main-
tenance's method of underwater
pipeline coupling known as the
Starcouple System, has been
completed.Installation was carried out on a
fractured 24-inch diameter
methanol line in Conoco's Viking
field. The couplings have no
mechanical systems and no rub-
ber seals. Instead, the tempera-
ture-sensitive properties of a
nickel-titanium alloy are ex-
ploited to shrink a metal sleeve
on to the pipe ends.Teeth, machined into the
sleeve, bite into the pipe to form
a permanent metal-to-metal seal
which will remain effective up to
pressures that would burst the
pipe.Couplings for pipes up to 8
inches in diameter are soon to
become available and the com-
pany says that over the next 12
months it is intended to develop
the coupling for pipes of 15
inches diameter, or even larger.**SECURITY****Thief-proof**
storage unitOF PARTICULAR interest to the
security-conscious in industry is
the Transguard steel security unit
from Transline Engineering.Based on a modular construc-
tion the units come in a range
from 8ft. to 32ft. in length with
a standard internal width just
over 8ft.Valuable tools and spares,
chemicals or documents, are
shielded by double doors at the
front of the unit, each fitted with
an ingersoll lock, approved to
BS3621.Standard floors are of water-
proof plywood underdrawn with
galvanised steel with the options
of a door faced with galvanised
steel sheet, or steel chequer
plate floor.**Howe**
RichardsonThe right weigh
to profit...
the World overMANUFACTURERS AND DESIGNERS
OF INDUSTRIAL WEIGHING MACHINES
& PROCESS CONTROL EQUIP.Howe Richardson Scale Co. Ltd.
Anside Rd, Bestwood Est. Nottingham.
Tel: 608181.**It isn't always cheaper**
to do-it-yourself**C&D**
door to doorHave you looked at the economics of your delivery fleet
lately? Things have changed fast—fuel, maintenance,
replacement and other costs are not what they were. It now
costs a fortune to keep even a 2-tonner on the road.
And when you are down to the odd packages your costs
go sky high.
Make your life easier
Why not do your sums again. Have another look at
those figures that decided you to go "do-it-yourself". Thencall in Rail Express Parcels and compare prices and services.
Rail Express Parcels can give you a nationwide, reliable
and economical collection and delivery parcels service.
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make an impressive saving.
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EDITED BY ARTHUR BENNETT AND TED SCHOFERS

ELECTRONICS**Circuits by the million**U.S. ELECTRONIC circuit giant
National Semiconductor has
recently re-opened its silicon
wafer fabrication plant at
Greenock, Scotland, having re-
built it in an astonishing eight
months after a fire last year.Costing £33m., it has been
built exclusively to make four-
inch diameter wafers which are
processed to the point where
they are ready for scribing,
licensing, assembly and encapsu-
lation in Singapore. The finished
product returns to Scotland for
testing. In all, Greenock con-
tributes about 80 per cent. of
the device value.Since the early 1960s the pro-
cession from one-inch, to two-
and three-inch, and now four-
inch wafers, brought about by
the ability to grow larger and
larger single crystal silicon, has
neatly increasing efficiency of
production. For example, the
move from three to four inches
means 1,780 circuits per wafer
instead of 1,000. The silicon
wastage to area ratio also in-
creases the yield of good circuits
from a wafer because most of the
defective circuits are nearer to
the edge.

National is producing circuits

in bipolar technology from four
inch wafers—it claims to be the
first to do so—and has success-
fully overcome warpage prob-
lems at the higher processing
temperature involved.Much of the Greenock produc-
tion, of which 75 per cent. is
exported, is for the European tele-
vision set makers, currently
struggling with new innovations
to keep sales buoyant. Signifi-
cantly, they are using up to five
times more value in integrated
circuits than their U.S. counter-
parts, mainly attributable to
innovations such as on screen
channel number indication and
time display.At Greenock, design work has
started on a number of circuits
for the interface of digital systems
with TV receivers, stimulated by
the development of Teletext, View-
data, electronic games, and the
prospect of using the domestic
receiver as a VDU in a home com-
puter. Many of these will be
coming into production for general
consumer use around 1980—they
will be low cost standard products
for a high volume market.German set makers are said to
be interested in the micro-
processor control of TV sets. One,
it is rumoured, will involve a diary
device that will program viewing
for a fortnight in advance.**RETAILING****Products are numbered**NOW THAT an article num-
bering system has been agreed and
a number bank set up by the
Article Numbering Association,
it can be expected that as the
months go by an increasing
number of firms in the food
manufacturing "business" will
announce that they are printing
the codes on their products, at
source—a necessary prerequisite
for full scale point of sale elec-
tronics investment by stores to
"make commercial sense".A starter is Fine Fare, which
has begun to redesign its own
brand packaging to incorporate
the code in numerals and bar
code.It has also decided to instal 30
NCR 285 check-out terminals at
its store at Hyde near Man-
chester, where 108,000 square
feet of space is being redesigned
to enable food and non-food
items to be paid for at the same
check-out. The terminals will be
linked to an NCR 726 in-store
minicomputer.In May the store plans to use
price look-up on 70 of the fast-
moving food items and 100 other
lines. After year-end, this will
be extended section by section
to ultimately include 8,000 food
and 10,000 other lines.However, the company's own
product labels account for only
22 per cent. of sales volume, so
that there is the prospect that
the company's plans could be
held up by major food manu-
facturers dragging their feet.But financial director David
Barrett points out that studies in
the U.S. and Europe have indi-
cated that these systems "can
combat rising costs, maintain
better stock levels, react to
customers' needs faster and
maintain and improve service to
customers".
As these benefits become more
and more obvious to an increas-
ing number of medium-sized
chains it is likely that pressure
will be put on food packers and
canners to make the change.**TELEX COSTS £30 P.A.**If your business does not warrant a Telex installation of
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selection. (All sizes are in square
feet.)**SCOTTISH DEVELOPMENT**
AGENCY FACTORIES**BORDERS REGION**

Caldwell (2 at 2,500)

Eymouth (10,250)

Galloway (2 at 2,500)

Hawick (2 at 2,500 &
14,750) Kelso (2 at 2,500)

Lauder (2,000 & 1,750)

Selkirk (4 at 2,500)

Tweedbank (10,250 & 4
at 2,500)**CENTRAL REGION**Alicia (10,000) Alva (4 at 2,500) Banders (10,000) Falkirk
(4 at 2,500) Stirling (2 at 2,500)**DUMFRIES AND GALLOWAY REGION**

Dalbeattie (2,500) Galloway (2 at 3,000) Kirkcubright (1,500)

Newton Stewart (2 at 3,000 and 2 at 2,500) Sanquhar
(10,250) Stranraer (10,250)**FIFE REGION**Auchtermuchty (2 at 2,500) Cowdenbeath (4 at 2,500) Cupar
(2 at 2,500) Kirkcaldy (10,250) Leven (2 at 2,500)**GRAMPIAN REGION**Aberdeen (1,750) Banff (2 at 2,500) Buckie
(10,500) Dufftown (2,500) Elgin (2 at 2,500) Huntly
(2 at 2,500)**LOTHIAN REGION**

Edinburgh (Pleasantland) (10,500)

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and easy access to major ports and airports
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Tel: 041-248 2700. Telex: 777600.**THE KEY TO SCOTLAND'S INDUSTRIAL FRONT DOOR.**

Electronics leads the way

TEN YEARS ago there was no electronics industry in the Borders, now there are 13 companies employing over 2,000 people and making a wide range of products. In particular the region has become a centre for the manufacture of printed circuit boards, with two of the four major U.K. producers.

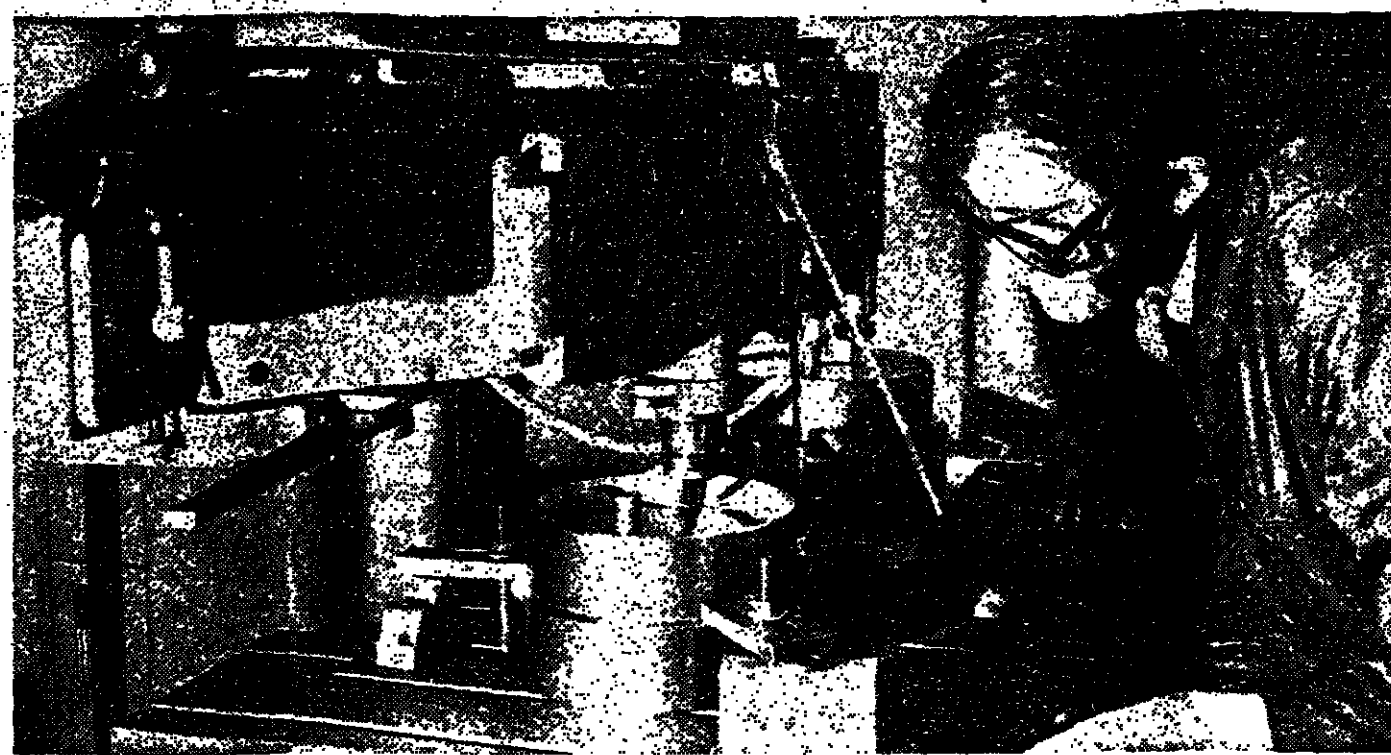
The growth of the electronics industry is the region's major success story and one of which it is understandably proud. It is exactly the sort of modern industrial process which suits the area, being clean and easily locatable in small units. Light, high value products are easily transported along the congested local roads and the industry manages to combine the happy advantages of a relatively high level of employment with high value added.

It is easy to see why, once the precedent was established, electronics firms have shown themselves keen to move in to the Borders. As a development area the region automatically attracts grants and other aid to subsidise the cost of new plant and machinery, and there are ample sites available for factories.

Borders' people have also proved themselves easily adaptable to new skills and many of those who previously worked in the local textile mills have a manual dexterity which proves useful in small scale assembly work. Labour costs are also low (a fact which the Regional Council accepts, although it would prefer to see earnings rise to nearer the national average) and labour relations are generally very good.

But if those are the reasons for the growth of the industry, the initial impetus came from inside the region and the story is one of entrepreneurship which would do credit to any more industrially conscious community.

The story began with the BEPI, which made a pre-tax



Precision drilling at Tweedbank Surgical's factory in Galashiels.

setting up in Galashiels of a company called Curry and Mill, which had little more than the energies and ambitions of its two founders, neither of whom had any experience in electronics. They began to manufacture printed circuit boards and the firm grew, until a few years later the original partnership broke up and the two members went their separate ways running competing companies.

Those two organisations, now named 'Exacta Circuits' and BEPI (Electronics), are still in existence, although considerably larger and now owned by international electronics groups. Exacta is part of STC, which in turn is owned by IRI, and BEPI is owned by Fyfe, part of the Philips group.

profit of £235,000 in 1975, but moved into loss (£35,000) in the following year, has recently undergone a £1m. investment programme involving extending its factory at Galashiels and trebling its plating capacity. Fyfe also bought a BEPI offshoot, BEPI (Engineering) and has renamed it Fyfe Borders Electronics. It has two plants at Kelso and Galashiels undertaking electronic assembly work.

Technology

Exacta has now expanded and has its main manufacturing plant at Selkirk. The original Galashiels factory has been extensively re-equipped to undertake work on the TSE4 electronic switching system for the Post Office, and the com-

pany's own product development unit—an important part of the operation since it makes Exacta self-sufficient in keeping up with the fast pace of printed circuit technology—is housed nearby.

Mr. Peter Breen, general manager of Exacta, estimates that more than £1m. has been invested in the company since STC acquired it. Sales have more than tripled and the company has progressed steadily in the complexity of the work it is able to undertake. Although it made a loss of £38,000 in 1975 (pre-tax), its 1976 profit was £179,000. Figures for 1977 are not yet available for either BEPI or Exacta.

Although printed circuit manufacturing accounts for most of the employment in electronics in the Borders,

other firms make a wide variety of products. Sprague Electric (U.K.)—again American owned—produces capacitors, a number of small firms undertake assembly. Fedeltone International manufactures stylus and there are two companies making audio equipment—Neve Electronic Production making amplifiers and Tweed Audio, makes hi-fi kits.

Like every other industry, electronics has had its difficult times during the recession, but it has given a much-welcomed stability to employment in the borders, which was traditionally bedevilled by the cyclical demand for labour in textiles and agriculture.

It has also injected a fresh element of skilled employment, essential to a region fighting to retain its able young people against the pull of the cities. Besides its internal training, Exacta, for example, sponsors a course for technicians at a local technical college.

In the eastern part of the region other new industries have also been able to use local skills. C.H. Dexter, an American firm, specialising in non-woven fibre paper-making, took over an old paper mill at Chirnside, invested £4m. in new machinery and other improvements and now employs 230 people, many of them with long experience in paper-making.

Mr. A. B. Crawford, Secretary of the National Association of Scottish Woollen Manufacturers, is hopeful that the GATT multi-fibre agreement will help to reduce unfair competition from dumped textiles and that the Budget tax cuts will stimulate whom previously worked in the domestic demand.

agriculture and fishing industries are now employed in a new range of food processing plants, which by freezing, packing or otherwise processing the produce of regional industries add to the benefit derived by the local economy. They include Elba Growers (Eyemouth), one of the largest producer farm co-operatives in Scotland and the first to be granted aid by the EEC Agricultural Guarantee and Guidance Fund.

But despite these new activities, the biggest regional employer remains the woollen textile industries. Both branches, knitwear and tweed, have been undergoing contraction and rationalisation in recent years, involving redundancies and closures.

Under the pressure of the general world recession, the fluctuating value of the pound and the competition from cheap imported textiles, which although inferior in quality to the natural wool garments made in Borders factories took away a large slice of traditional markets, significant changes have been forced on both industries. Perhaps the most notable has been the gradual disappearance of many family companies and the growth of large groups, able to afford the high cost of new machinery and aggressive marketing.

The Scottish group, Dawson International, now owns four knitwear companies in the region and a major tweed company, and other groups represented include Courtaulds and Coats Paton.

Cautious

The future for both industries looks brighter than in the past. In the year to last September the knitwear industry, based in Hawick, achieved a 36.9 per cent. increase in export sales and a 44.4 per cent. increase in receipts from the home market. Mr. A. C. Purves, Secretary to the industry's trade association, expresses cautious optimism about 1978. The flow of orders already this year indicates that it could be a period of full employment.

In tweed, the increase of 15 per cent. in production last year was the highest level recorded since the late 1960s with turnover up by around 40 per cent. and exports maintained at just less than two-thirds of total output.

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Efforts to attract smaller companies

"SMALL IS Beautiful" is such a catchy phrase in an era when big is often proving to be uneconomic, that it is in danger of becoming a cliché that has lost its meaning. Much lip service is currently being paid to small business, but when it comes to industrial development it is still the attraction of a large employer that is most highly prized. The arrival of a company offering only limited employment is usually regarded as amateur league stuff.

But with large mobile investment—on the scale say of the Ford engine plant destined for South Wales, or the Shell-Esso proposal for a petrochemical works in Fife—so scarce and the competition to guide it to life, but in fact the region has one or other depressed area, no choice but to opt out of the few authorities can afford to be choosy. Many, however, still refuse to lower their sights.

The Borders has no such inhibitions. In the last ten years the average size of new complex

factories opening in the region was little more than 50 employees. "Under the Bolton Committee definition small businesses have 200 employees or less. On that basis we have only six companies in the Borders which are not small businesses," says Mr. Alastair Bilton, the region's development officer.

"Small is a way of life to us here, so I prefer my own definition of small business—one employing less than 20 people."

Impossible

Small scale industry fits very well with the Borders' way of life, but in fact the region has no choice but to opt out of the few authorities can afford to be choosy. Many, however, still refuse to lower their sights.

With no settlement of more than 20,000 inhabitants, it would be impossible to provide a large labour force from the existing population of any of the Border towns. Housing a large immigrant workforce in one go would strain local authority resources, and would anyway introduce the danger of creating a new community dependent on a single industry—the very evil the council is now seeking to escape from.

Communications are also unfitted to heavy traffic. The region has only one railway line and no major station, no motorways and practically no dual carriageways. What it does have is a virtually empty road, although private car ownership is higher than in the rest of Scotland, traffic densities are low. Light vehicles can get quickly and easily to any part of the region or to the large cities that surround it—Newcastle, Edinburgh and Glasgow—all of which have air and sea ports.

The region, thus, lends itself to small industry producing light, high value products which are easily transported, either directly by road, or by road and then air freight or rail. Electronics, precision engineering, high quality clothing, specialist paper and craft goods are among the items which fill this bill and are currently being made in the Borders.

The council's industrial strategy has included the provision of small units—up to around 1,250 square feet—where small companies can test their operations without the burden of excessive overheads before deciding whether they want to expand into larger premises.

"I think that a lot of our success to date is due to this policy," comments Mr. Bilton. "Embryo enterprises have been able to get a roof over their heads and see whether they were going to make a go of it before moving into something bigger."

The cost of providing these units was kept down by converting two old mill buildings in Selkirk and Hawick to provide modern factory units. Lingle Mill, Selkirk, for example, is being converted to ten units at a cost of around £4 per square foot—a fraction of the cost of building a new factory. All units have been let before the work is complete and around 110 people will be employed by the various firms using the mill, compared to 25 employed by the mill's previous single owner.

Larger units are being provided by the Scottish Development Agency, which took over

the factory building responsibilities of the former Scottish Industrial Estates Corporation. The SDA is extremely active in the region and has either built or is currently building more than 20 units of up to 14,000 square feet. These are either speculative Advance Factories (although some are let before completion) or bespoke factories for specific firms.

The council's development plan called for around 120,000 square feet of new factory space a year between 1976 and 1981, although it also estimated that 20,000 square feet would be provided by existing companies constructing their own extensions.

A priority system for allocating this space around the region was worked out on the basis of the need for jobs. Immediate attention was demanded for those towns hit by the recession in the textile industries: Hawick, Selkirk, Galashiels and Peebles. Nearly 90 per cent. of the total spending on new factory space was directed to these towns and to the new village of Tweedbank during the first two years of the plan.

Recreation

Tweedbank is an area of 240 acres alongside the river Tweed and between Galashiels and the village of Melrose. A third of this land is being used to build 1,000 houses (mostly provided by the Scottish Special Housing Association). 30 acres is being devoted to an industrial area and the remainder—half the site—will be kept as open space, mainly for recreation.

The purpose of Tweedbank is to meet the region's housing needs without imposing strains on the existing towns and villages. Much of the housing and industrial development is now complete and occupied and there have been modifications to the original plan, but the ultimate size of the community is limited by geography. It will be a "New Village" rather than a "New Town."

Outside these priority areas, another group of six towns has been identified as being places where industrial development plans are already in progress, but may need strengthening to stimulate growth. They are Jedburgh, Eyemouth, Kelso, Duns, Coldstream and Innerleithen.

A third group consists of the rural settlements where craft and other appropriate small industries are being directed into existing and new workshops provided with the help of the SDA and the Small Industries Council.

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Exacta

The Marketing Scene

EDITED BY MICHAEL THOMPSON-NOEL

Getting the budget right

BY MICHAEL THOMPSON-NOEL

DECIDING WHETHER to spend more or less on advertising and promotion is among the more subtle and elusive questions a company faces—subtle, because under some conditions a few thousand more or a few thousand less on the advertising budget can transform or sabotage the sales returns; elusive because the rationalisation provided for a new advertising budget, even if some of the biggest companies, is often more a matter of conviction than of science.

Small wonder, then, that a new booklet prepared for the IPA by McCann-Erickson, *Setting Advertising Appropriations*, concludes that "there is no 'right' answer to the question: How much should I spend? It is because there is no single right question. Markets vary, products differ, tactics alter and strategies undergo revision to suit the choice of medium or message or the skill with which each is deployed. According to the authors, a review of the published work on budget setting (the Marketing Communications Research Centre's Cranfield alone has published some 2,000 papers on the subject) reveals two things: first, there is no simple formula or any equation that can be applied universally; second, overworked marketing managers have little time to spend selecting and valuing the plethora of modes and methods advanced from this corner or from that.

On the other hand, what happens when a market suddenly stretches from a familiar adjacency to an unfamiliar one—when an approach to budgeting suddenly sweeps into the dust because of upheavals in the market (quartz wrist-watches, Tel and Ronco, skateboards) or the need to be replaced by potentially high-risk and, certainly expensive responses to completely new situations?

As the authors say, there is no single answer to a question like that. But it is also their belief that such is the extensive use of arbitrary, rule-of-thumb methods of budget setting that the majority of advertisers could improve the quality of their approach, and it is the purpose of the booklet to review alternative methods and provide guidance on how improvements can be made.

First, it reviews 15 established techniques for budget setting, together with their strengths and weaknesses, before setting off on a brief examination of some of

the techniques which employ a model or standardised computer program based on variable factors relevant to the advertising task. These include the Vidale and Wolfe method, the Hendro Graphics method and the MARS method, though the authors observe that the application of management science, orientated techniques both in the U.S. and U.K. is scarce because it is felt that considerable pioneer work still has to be done before marketing directors let alone their chairmen, can be expected to understand their complexities or summon up enough confidence to use them on anything other than a limited scale.

Chapter five is devoted to 12 case histories based on Nielsen data, which—not unexpectedly—seek to reinforce the prevailing credo of the advertising business: namely, that although the removal or reduction of advertising pressure seldom produces a particularly dramatic or fast-working decline in sales share, it is nonetheless the first downward step in the erosion of a brand's franchise.

Inertia and brand loyalty will carry the producer on for possibly years after advertising has been cut, say the authors, "but those charged with long-term accountability of a company's real assets—its brands—should be vigilant that short-term balance sheet results are not achieved at the expense of long-term disease and decline."

A couple of naughty boys identified by the authors are the canned fruit and orange squash markets. The former, they say, is valued conservatively at \$50m, or RSP though despite the presence of household names like Libby and Del Monte, TV and Press advertising (per MEAL) in the 12 months to last June did not exceed £154,000—an insignificant advertising-to-sales ratio of around 0.5:100.

It is a similar story for orange squash, where the ad-to-sales ratio, say the authors, is approximately 1:100 and where the promotional effort has largely degenerated to the price level. On the other hand, the authors are delighted to report that whereas the market for squashes and cordials as a whole appears to be under-supported in terms of media inflation-linked advertising expenditure, one of the leading brands, reveals a very different picture in that over a six-year period, advertising expenditure had increased fourfold, leading to (or at any rate accompanied by) a 300 per cent increase in sales.

MARKET RESEARCH

In the mood for expansion

THE MARKET RESEARCH industry has never had it so good, and to celebrate, research company executives and their clients are gathering to-day in unprecedented numbers for the Brighton Society conference in Brighton. The prosperity of the past two years has encouraged market research to look outwards again, and the conference is the most expansion-minded for years. Its main theme is how research can help the British economy and, after years of introspection there are external notables like Sir Harold Wilson and Sir John Methven scheduled to stir things up.

Market research, in line with advertising, has benefited from the fact that industry is a little more optimistic and consequently needs research to plan its new investments. In addition, the Government's wage controls have improved the cash position of many companies, and enabled them to boost their marketing budgets.

In bare statistics it means that the 25 members of the Association of Market Survey Organisations, who together account for two-thirds of the £45m spent through research companies in the U.K., increased their turnover last year by 24 per cent, well ahead of inflation.

In the first paper at the conference to-day, in fact, Martin Simmons of Gordon Simmons argues that £50m was spent on commissioned research last year.

And there seems no immediate end to the boom. The same group of companies experienced a 50 per cent rise in inquiries in the last quarter of 1977, compared with the previous year, and 1978 has started just as well. Only a shortage of trained personnel, the consequence of shedding staff during the 1974-75 slump and failing to train new graduates, is restricting even faster growth. In desperation, companies are using external consultants or charging exorbitant rates for the job. Undercutting is, for now, a thing of the past.

Rather surprisingly, although staff levels have not risen much—suggesting improved productivity—profits are still low compared with most industries (although not advertising). The average net profit before tax is around 8 per cent. There are historical reasons for this—an inclination on the part of the smaller research companies to earn a good living for the directors rather than to enrich the shareholders.

On the other hand, the authors are delighted to report that whereas the market for squashes and cordials as a whole appears to be under-supported in terms of media inflation-linked advertising expenditure, one of the leading brands, reveals a very different picture in that over a six-year period, advertising expenditure had increased fourfold, leading to (or at any rate accompanied by) a 300 per cent increase in sales.

research is so competitive (over 150 active companies) that it is no easy way to make a fortune. It is also labour intensive. Staff wages remain the biggest direct cost, accounting for around two-thirds of expenditure, and if the Government should lose its grip on incomes the current prosperity could quickly disappear.

There is one exception to the rather, plodding and certainly cyclical performance of most research companies. AGB, perhaps because it is the only publicly

the television audience measurement contract, within a couple of years.

Continuous surveys, which clients come to rely on for marketing decisions, protect research companies in recessions and underpin their viability. The gap between the large companies, with successful on-going panels, and the small organisations competing for one-off assignments, seems certain to grow. For example, AGB can now offer, through direct wire

Market Research: the Top 12

| | Year | Turnover | Pre-tax profit | % turnover increase |
|-------------------|---------|----------|----------------|---------------------|
| Nielsen | (8/77) | 5,488 | 670 | 17 |
| N.O.P. | (7/77) | 5,585 | 377 | 40 |
| Research Bureau | (7/77) | 3,393 | 255 | 20 |
| Attwood | (4/77) | 2,398 | 133 | 29 |
| BMRS | (7/77) | 2,177 | 122 | 14 |
| Marshall Services | (7/77) | 1,316 | 66 | 30 |
| Maplan | (7/77) | 1,180 | N/A | 17 |
| RSGB | (4/77) | 1,093 | 31 | 34 |
| MIL | (4/77) | 1,092 | 24 | 71 |
| TNA | (3/77) | 875 | 69 | 39 |
| MAS | (10/77) | 849 | 12 | 7 |
| STATS MR | (3/77) | 827 | 17 | 12 |

This list of the top 12 AMSO members does not include the AGB group, but does cover its leading ad hoc company, RSGB. The NOP and Research Services figures are before profit sharing, and the NOP also includes dividend but not turnover from its minority shareholding in MORI.

quoted research company in the U.K., is reckoning to increase both revenue and profit this year by over a quarter, even though it is starting from a very high base. All told, the group will record a turnover in excess of £10m, discounting Mercury House, the magazine company which has just been acquired and which marks the furthest diversification yet away from research.

Bui chairman Bernard Audley sees AGB as an information services operation and magazines as one leg of a tripod which includes research and computer services so inter-linked these days with research. With profits approaching £1m, AGB can afford its investment in overseas companies in Italy and the U.S. Both have turnovers of around £5m. Nielsen managed a 17 per cent sales growth last year and looks set to repeat the performance in 1977-78. Its revenue is still centred on retail auditing but Sabine, which gives more flexible interpretations of the basic data and the Prices Service, a quick check on shop prices, have been successfully launched, and a new retail census is in hand.

The companies that have marketed successful continuous surveys plus those that dominate the omnibus survey field such as NOP, MAS, RSGB, BMRS and Gallup, have this built in protection in bad times, but these days everyone seems to be doing well, as the table shows. Some of the improvement is the illusion of inflation, and in real terms 1978 was a better year for research. The advertising industry which is now responsible for around 15 per cent of the assignments as against a quarter a few years ago. Even so, around two-thirds of the contracts still come from consumer goods companies who want a

scientific assessment of a market, or a new product, or a fresh advertising approach.

Although the market research consultancies worry about their image, and the fact that many quite large companies still prefer to follow their noses rather than research, the basic concept of using an outside specialist now seems to be established. Among large companies, only Procter and Gamble, Mars, CI and Beecham buy research to their internal chests; most companies preferring to combine a slimmed down market research department with outside specialists.

Even the research companies in their turn are putting more work out to independent field forces and computer bureaux, and the shortage of good interviewers is becoming a restriction on growth. Perhaps the time has come when the very words "market research" are inadequate to describe the service provided. The papers at this year's conference, with their emphasis on trade unions, local authorities and the EEC, are far removed from marketing. They are about gathering adequate information on which to make planning and investment decisions.

There has been considerable growth in recent years in financial research, opinion research overseas research and social research. The problem has been that clients in these areas do not often have marketing departments, or market research managers. The hope for the 21st annual conference is that there will be enough prospective informed purchasers for the new and potentially more exciting horizons for research, which after years of gestation seem finally to have arrived—financed, it must be said, by the continuous support of the traditional product marketing surveys.

The business Press booms

BY PENNY HOPKINSON

THE Sixth World Industrial Advertising Congress, sponsored by ISBA, returned to London last week, and while there was little new for seasoned international marketers and advertisers, there were a number of highlights which helped underline current opinion and consolidate an atmosphere of optimism on issues affecting business publishing and industry.

Paul McPherson, executive vice-president of McGraw-Hill Publications, set the stage by tracing the real and inflated growth of world business from the past decade to the present as a springboard for projecting economic futures. He revealed the results of a recent survey by his company which measured the attitudes and confidence of businessmen by selected countries, and dealt with advertising and its relationship to business growth in the U.S.

Confidence in the use of business publications to reach the few truly influential buyers in a clearly defined population segment is growing at a palpable rate. More important, it seems destined to continue with fewer, larger, business publications prospering through a process of merger and survival of the fittest.

"The business Press," said Mr. McPherson, "is enjoying halcyon days. Total advertising revenue of U.S. business publications has increased from \$233m in 1947 to \$1.2bn in 1977, but to put this into proper perspective, the 1977 total should be compared against

the most comparable print media—consumer magazines. The \$1.2bn represents almost 55 per cent of the \$2.2bn total spent for advertising in U.S. consumer magazines."

U.S. business publications had not only registered substantial gains in 1976 and 1977—12.6 per cent, and 14.1 per cent, respectively—but had increased their share of total advertising versus other media.

Based on comparisons of revenue received from European advertisers, Mr. McPherson said his company estimated that European business publications had grown at an even faster rate over the last decade and were still on a strong upward curve.

It was obvious that the substantial gains of 1976 and 1977 had had a highly favourable impact on profit margins; business publications, particularly the leaders, were to-day in the soundest financial position in their history, and the good times should continue, despite numerous problems of rising costs.

On a different tack, Hans Johnsson, director of communications at Atlas Copco, turned his attention to Third World promotion, observing that one of the highest possible tributes to the Western business Press was being paid by societies that did not possess comparable publications of their own. In these areas more than 1,000 U.S. and European publications were regularly received, translated, abstracted or reproduced in full and distributed on a massive scale.

ITT made a great name for themselves on Southern.

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Another £1m. worth of BR business on the line

BRITISH RAIL, planning to spend up to £3.5m this year on advertising, may move its £1m-plus Sealink account from Lonsdale Osborne in a poster to last year's re-routing when it switched its £1.5m. Inter-City business to D'Arcy-MacManus and Masius and shunted its £500,000 South-East account to Saatchi and Saatchi Garland Compton.

As well as Lonsdale Osborne British Rail will see Sealink presentations by Boase Massimi Pollitt Univas, Allen, Brady and Marsh, and McCann-Erickson Collett Dickinson Pearce was invited to join-in, but declined. A decision is expected in five weeks.

● EDEN VALE'S Ski, which holds 44 per cent of the £52m. real fruit yogurt market, will be backed by a £750,000 TV campaign starting this month.

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Thursday April 13 1978

A sceptical market

THE GILT-EDGED market has been thin and uneasy for some time past, and its first reaction yesterday to the monetary implications of Mr. Healey's latest Budget proposals was not favourable: long-dated stocks closed at the bottom, 13-15 points lower on the day. This first reaction is not necessarily significant, but it reflects a fairly widespread scepticism about one particular sentence in the Budget speech, namely that "I see no difficulty in financing the PSBR for 1978-79 consistently with the new monetary guideline of 8 to 12 per cent."

This new guideline itself, slightly below that for the year just ended, is acceptable enough if it is observed. The fact that the 1977-78 guideline was not quite observed may have had some influence on financial opinion, but the failure was largely due to the influx of foreign funds and the figures for recent months—especially the last—have been much better. Setting a target for 12 months ahead, moreover, is an operation that asks for trouble, and the new system of re-assessment every six months is much to be preferred; the change, according to the Treasury, "in no way alters the Government's determination to maintain firm control over the money supply."

Financing

Mr. Healey may have gone rather far in suggesting that, if the struggle against inflation went as he hoped, it would be appropriate to consider reducing the target in the autumn. He made it clear in his speech that the main influence on the rate of inflation in the coming year would be the size of pay settlements, which he is hoping to reduce by half, and even if he gets more co-operation from the TUC and union leaders than yesterday's statement suggests, the results will certainly not be apparent by the autumn. In the same way, the hope that interest rates would fall later in the year as progress in the struggle against inflation becomes apparent probably seems too vague to be really encouraging.

But the real problem is that of financing a PSBR which at £8.5bn. was at the very top end

of expectations. The outcome may turn out to be lower than the estimate, though the main factors that made for last year's considerable undershooting will not be at work this year. The Government may be able to borrow more from companies on tax certificates and from pension funds on the new savings certificates—the terms of which may cause a rush to buy the issue it will replace. There is unlikely to be pressure on the money supply from an influx of foreign funds but, on the other hand, companies are likely to be making larger demands on the banks and other financial institutions. Even if the Chancellor is right in reckoning that gilt sales will have to be on much the same scale as last year, conditions will be considerably less favourable.

Imported goods

Experience has shown how difficulties in selling stock to the public can exacerbate themselves. They are also easily capable of shaking confidence in the Government's intentions (especially in an election run-up) and in pushing down the sterling exchange rate. The greatly reduced official estimate of the balance of payments surplus for this year, difficulties with the TUC and the CBI over wage and price restraint, and any recovery in the dollar may work in the same direction, since the Government's forecasts assume that the exchange rate is determined "primarily" by market forces.

Any marked fall in the exchange rate will put up the price of imported goods, whether raw materials or manufactures, and feed gradually through into domestic costs and the demand for pay increases. And these risks will become more serious if, as the result of some agreement on joint action in July to stimulate world trade, Mr. Healey decides that another mini-Budget is in order. He was prudent to let the Bank of England raise MLR on Tuesday and avoid the danger that a market-induced rise on Friday would seem to symbolise a lack of faith in his proposals. But it is not surprising that the market is wondering whether a one-point rise will turn out to be £8.5bn. was at the very top end

Reorganising electricity

IT IS ironic that the Commons select committee hearings on the Bill to reorganise the electricity supply industry—which began yesterday and are the first of this kind to have been held on draft government legislation—should have come about by chance rather than as a result of a considered change in Parliamentary procedure.

The question of giving similar treatment to all draft Bills is currently being discussed by a Parliamentary committee on procedure. But the initiative for the present hearings was taken by the select committee for the nationalised industries, fresh from its investigations of British Steel. It did so when Mr. Wedgwood Benn, the Energy Secretary, decided to publish his Bill once it had become apparent that, because of Liberal and Conservative opposition, there was no chance of the measure getting through the present Parliamentary session.

Besides being an interesting experiment, the hearings could be useful in themselves for Mr. Benn's proposals have aroused controversy on both sides of the industry as well as at Westminster. The criticisms range over various points but the central issue has been one of organisation: how should the industry be structured so as to combine strong leadership in strategic matters with the greatest practical devolution of authority in operational matters.

Direction

The Plowden committee, which inquired into the industry in 1974-76, felt that the main weakness of the present federalised structure was the lack of strong central direction. It proposed that the industry be unified, with the generating board and the area boards now responsible for distribution being absorbed into a single corporation. The committee recognised the dangers of excessive centralisation but argued that having decided in favour of a structure favouring central direction on strategic matters, it was pointless to frustrate that central authority for fear it might be misused. As safeguards, however, it suggested that the corporation

should be under a statutory duty to devolve maximum authority to line management and that organisational changes should be subject to Ministerial approval.

These proposed safeguards fail to satisfy all the critics, including apparently Mr. Benn himself since, in his draft Bill, he has retained the power of appointing the chairman and members of the corporation's subsidiary (but non-statutory) boards for generation and local distribution. This proposal has in turn been heavily criticised for making the task of the corporation's main board difficult, if not wholly impossible.

The issues that are involved here have recurred constantly since the industry was nationalised 30 years ago and, indeed, are not unfamiliar in electricity supply industries abroad. The basic questions to be decided are, first, whether central direction is necessary, and if it is how that direction should be accommodated; there is no case for central direction over the whole industry, as some would argue, then one possible structure might be a small number of power boards organised on a geographical basis as a decentralised responsible for generation and distribution but coming together in a joint subsidiary to run the grid. The Plowden committee argued that central decisions were needed on matters like financial planning, investment, tariff policy, and dealings with government and also for monitoring efficiency within the industry. The industry's initial structure in 1947 was overly centralised, while the changes made in 1957 went too far in the federal direction, the committee felt. Its own proposals represented an attempt to find the middle ground, as were the variants proposed by the Herbert committee in 1955, the Labour Government in 1970, and now by Mr. Benn. The weakness that all these proposals, including possibly Plowden's, share however is the failure to guard sufficiently against the strong centralising influence that is exerted in most nationalised industries by Ministerial control and Parliamentary accountability.

Car components: a conflict of criteria



Count Lambdorff, German Economics Minister, has the last word on the agreement for GKN's purchase of control over Sachs, signed with a flourish in 1976 by Mr. Barrie Heath, GKN Group chairman, behind the bags, and Herr Gunter Sachs.

FOR SEVERAL years, European motor manufacturers have been talking about the need for a more rationalised components industry. In France, Renault has prompted the Government to encourage the creation of larger groups. In Italy, Fiat has begun to urge the EEC to follow a similar strategy on a Continental scale. In Britain, the authorities have allowed a series of mergers and U.S.-dominated takeovers to change the face of the industry in the last 15 years. Yet one of the most far-reaching moves towards a more integrated structure for the industry, the proposed merger between GKN, of Britain and Sachs of Germany, has been turned down by the German Supreme Court.

GKN, which already has two years of bickering in the German courts behind it, is now seeking to reverse this decision with an appeal to the West German Economics Minister. The text of the Supreme Court judgment has not yet been published. But it has sent a tremor through the British and Continental components industries, where it is suspected that the court was swayed by GKN's position as a major force in that industry, rather than by fears of product monopoly. That would imply that GKN, or any other group of similar size in the industry, would be hard put to it to buy another components business in West Germany.

In the short term, this clearly creates a major strategic problem for GKN, which for the last two years has concentrated its major expansionary thrust on West Germany and the Sachs takeover. The British company, though already represented in West Germany by Uni-Cardan, had been aiming to consolidate its position in the biggest producing zone in Europe (4m. vehicles in 1977 against 1.7m. in Britain), and with a company which has strong links in markets like Brazil where GKN is not so well established.

In the longer term, however, the decision could affect every component manufacturer in Europe, because it casts doubt on how far rationalisation will be allowed to go. For instance, there have been suggestions that the recent Lucas bid for outright control of Ducellier in France, in which the British company previously had 30 per cent, will now be treated warily by the French Government; in Germany the court ruling could bring about a much more cautious approach to large-scale international takeovers.

If this restrictive attitude towards rationalisation hardens, it will bring with it a major change in the direction of the European components industry. For the last 20 years, this section of the industry has been allowed to reorganise and regroup itself

with very little interference from the authorities.

In both Britain and Germany, a large number of companies have been taken over by the American component groups, among them two of the biggest in the world, TRW and ITT. There has been virtually no opposition to these takeovers in Britain—indeed, the Government has actively encouraged U.S. companies to invest in Britain—and until the GKN decision, the West German authorities seemed to be operating a policy of at least benign neglect. Alfred Teves, for example, the German brake manufacturers, fell into the hands of ITT ten years ago, although it is a larger company than Sachs and has an equally dominant position in its own particular sector.

British component companies could lose particularly heavily from any change of European merger policy because they have been by far the most aggressive force in the European industry in recent years. Lucas, GKN and Associated Engineering have developed substantial manufacturing facilities on the Continent, and can all count themselves within the top ten world component companies outside the U.S. Along with Chloride, the automotive battery concern, this group of manufacturers is equally as powerful as the top West German companies, Bosch, ZF and Teves (which, in any case, is a subsidiary of ITT).

Expansion on the Continent came about as the opportunities for growth in the traditional imperial markets began to decline. As British Leyland weakened, and Ford drew back from the former colonies to concentrate on Europe, the component companies saw the need to hitch themselves to other, more vigorous producers. They found the opportunity in

Europe, where vehicle production in the early 1960s—with West Germany already well ahead of Britain—was beginning to catch up in France and Italy as well.

GKN's bid for Sachs was the latest significant move in this process of building integrated pan-European companies. The British group already has a presence in Germany through its Uni-Cardan subsidiary which makes the joints and transaxles for front-wheel drive cars. But by taking over Sachs it would also have moved into the German clutch and shock absorber markets in a big way. Sachs is reckoned to supply about 70 per cent. of all the German vehicle manufacturers' clutch requirements.

It is on this question of size that many motor companies in Europe part company with the German decision. They believe that there is a great need for larger component groups operating on a Europe-wide basis, and for this reason they would have liked to see a GKN-Sachs merger.

This feeling could be criticised on the grounds that bigger companies could well mean larger monopolies. But this is by no means an obvious case. Several component companies already have highly dominant positions in their national markets. In the electrical and electronic business, for example, Lucas and Bosch have a commanding lead in the U.K. and Germany respectively. In clutches, Automotive Products in the U.K. mirrors Sachs' position in Germany. The German brake industry is dominated by Teves in Germany, and shared out between Girling (a Lucas subsidiary) and AP in the U.K. And in Italy, Fiat dominates many areas.

It is at least conceivable that these national monopolies would

be loosened by the establishment of larger pan-European companies. In the GKN-Sachs case, for example, the British company would have been in a good position to attack AP's base in the U.K. with the injection of Sachs' technology into its own clutch-making subsidiary, Laycock. Similarly, Teves' competitive development overseas in the last few years, which has led to the establishment of a plant in the U.K. and a new distribution tie-up with Quinton Hazell, has undoubtedly been encouraged by its links with ITT.

Monopoly question

If these kind of developments continue, the real monopoly question will become one of a particular company's position in Europe as a whole, rather than in any one country.

In the meantime, most motor companies want to see further rationalisation because they believe that companies operating on a European scale are best equipped to answer their needs. These needs are of two kinds—first, to develop a structure capable of producing cheaper components; and second, to establish supplier companies which have independent financial and managerial resources.

The first point has been made emphatically by a number of vehicle manufacturers in recent years. Indeed, the desire to reduce component costs lies behind much of the talk between car producers on collaborative manufacturing ventures. If the European industry is to compete with its rivals in Japan and the U.S., however, the vehicle producers believe that this process must be carried further among



based multinationals. The U.S. companies are already more fully-fledged multinationals than their European counterparts in the sense that they have strong manufacturing entities on both sides of the Atlantic. They are now using these resources to transfer European technology back to their American base and assist the switch towards smaller cars. The European component manufacturers have noted this trend and are now going after the U.S. business themselves. But as the names of the companies that are investing in America imply—Bosch, Lucas, America's Associated Engineering, Automotive Products—only the larger groups that can afford it. These are the businesses which have well-established relationships with the big three American vehicle manufacturers through their activities in Europe. They also have the overall financial muscle to take on one of the most competitive markets in the world.

One of the issues for the German Economics Minister, Count Otto Lambdorff, in the GKN appeal, is this issue of competition with the big U.S. multinationals. It could be argued that Sachs would be in a much better position to compete in the U.S. if it were part of the GKN group. If this were so, the deal could be said to be in Germany's economic and public interest—the grounds upon which he will decide the appeal. Against this, he has to weigh the question of the overall health of the German and European components industry. There is a strong argument for saying that the best approach would be to allow Sachs to develop as an independent German-based company with its own multinational business. This solution could prevent the creation of another large power block in the German components industry, maintain the possibility of increasing competition against it, and give scope for increasing competition within the rest of Europe.

This argument, however, begs the question of whether Sachs would ever be in a position to grow on an international scale as an independent enterprise. Many observers in Germany believe that it needs an injection of outside talent, managerial skills, and new funds to realise its full potential. On this account a merger with a more powerful entity would be the right solution.

As the GKN-Sachs issue shows, these questions are now moving into a European scale. This is a merger in which national monopoly problems come together with the debate over rationalising the industry within the EEC through transnational mergers. Count Lambdorff's decision may therefore have a considerable influence on how far this trend is allowed to develop within the Community.

MEN AND MATTERS

Kensington Kremlin furore

Soviet leader Leonid Brezhnev may feel quite preoccupied already, what with the Middle East, Africa, and the neutron bomb debate. He should be warned that he must now contend with the wrath of the Kensington Society as well. This is no light matter, as is certain to be demonstrated next Tuesday at a mass meeting to protest against the designs of an anonymous Moscow architect for a massive new embassy development in the very heart of the Royal Borough. On the platform will be a powerful array of baronets, knights and other local notables, all united in outrage at the idea of a tower block surrounded by a Kremlin-like wall "some 50-60 feet high" at the southern end of Kensington Church Street.

Patron of the society is Princess Alice, the president is Lord Balfour of Inchrye and the vice-president is the Dowager Marchioness of Cholmondeley. I could go on, but it must already be plain to Brezhnev that he has a real battle on his hands.

The contested site is a former barracks close by Kensington Palace. The Soviet diplomats' home-from-home is planned to include 60 flats, a school, gymnasium, swimming pool, sauna bath and a theatre—all behind the wall. But when I spoke to the embassy yesterday, a spokesman made it plain that the Russians feel decidedly more sinned against than sinning. He said that they were reasonably happy in their existing quarters in "Millionaires Row," but that the Crown Commissioners were the landlords and for some undefined reason had told them to go.

It seems that the tower block scheme had been worked out in close co-operation with the Foreign Office and Kensington's



"If his Budget doesn't work we will be able to do it with five-pound notes!"

planners. The USSR, I was assured, only wanted to do what pleased everyone. So what about that 50-60 foot wall? "18 metres" said the spokesman dubiously. Then he allowed himself a small joke. But surely the Kensington people would like it to write graffiti on? "I said I would put that one to the Kensington Society."

Right hook

The prospect of a general election is stirring the die-hards to write tough. First in the series of "manifestos" is The Hidden Face of the Labour Party—a 20-page tabloid newspaper attack on "The unchecked Trotskyist and Communist conspiracy against the Labour Party."

This is due to be circulated from Sunday, but already Tariq Ali's newspaper, Socialist Challenge, has a copy—they describe it as "old hat"—as does the Labour Party. "Pre-election jitters," was how a

spokeswoman there characterised the broadsheet.

Read it and you certainly might think that the only decent democrats left are the likes of Reg Prentice and that Labour has become a revolutionary party.

The broadsheet does not consider Eurocommunism any less obnoxious than the original variety. It seeks to give the Foreign Secretary, Dr. David Owen, a radical tinge by showing him talking to Spain's Santiago Carrillo, though he is hardly loved inside the Kremlin.

When I asked former Tory MP Geoffrey Stewart-Smith why he was publishing it, he told me: "You do not sell Christmas cards on Boxing Day. It is a clear capitalist marketing principle—the public will want it and we will go on updating it until the elections."

Stewart-Smith has been printing anti-Communist material for 13 years and says the things he has been called by the Left are "rollicking." He insists that his group are a tiny team and entirely self-financing. He had put out an eight-page tract before the October, 1974, election and says that his present team of four or five people was recruited after the election. "Some of them are former Labour Party men," he told me, though saying Reg Prentice was not among them.

He is very cheery about the whole project, seeing his work as part of the wholly legitimate rough and tumble of politics. He suggested the Labour Party would do the same "if the National Front had the influence on the Conservatives that the Trotskyists have on the Labour Party."

In 1974 his broadsheet sold at 3p a time. To-day it is 25p a single copy, falling sharply for the bulk orders which candidates in marginal seats might like to buy. Stewart-Smith said, "Four years ago he claims he

sold 150,000 copies and now he is hoping for more. He says he has sent copies to all his "friends on the left," and talked of "my old friends The Morning Star and Tariq Ali." Friends? I asked since he had repeated the word, and he told me that they had a "certain perverse camaraderie for each other."

Looking askance

Last week I mentioned a group called Action Opportunities which is hot gossiping to teach British Women about their rights under the Sex Discrimination Act. In particular, AO pins its faith in Clause 1 of the Act, which specifies various ways in which women can be "treated less favourably" than men. Perhaps its organisers would sympathise with Maria Clemencia Lopez, Charge d'affaires of Venezuela's mission to the UN. She complains about patronising attitudes by the President of the Security Council, whose "gracious" habit is to yield the floor to her by calling on "the charming and beautiful delegate from Venezuela." Ms. Lopez says she does not want any compliments, and questions whether the president would call on "the gallant and handsome delegate from Great Britain." This is perhaps a rather unkind cut at Ivor Richard, not exactly everyone's idea of a matinee idol.

Long wait

"You used to have blotting paper on the counter," a Hampshire reader said to the postmistress at his local sub-post office, "but I haven't seen any for weeks." "I know," she said. "And I'm not going to put any more out until people stop taking it."

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A Chancellor too busy to find a role

DENIS HEALEY is a puzzling man. Previous chancellors have been easy to read. Mr. Selwyn Lloyd, struggling earnestly with the demands of economic management. Mr. Callaghan striving for a happy, slightly Socialist Mr. Jenkins for respectability and Mr. Barber finding economy an annoying distraction from his real interest, reform. But Mr. Healey—politician, part monetarist, part opportunist—is an enigma. Half of his actions seem to contradict the other half, and his words. What is he, driven to wonder in a Henry Jamesian fashion, in his innermost mind, that he is, as it were, up to?

He is partly a victim of his own economic management. It takes the form of a ruse, which Mr. Healey, at least partly believe, or he grudging admission of a "official" that "you can't see the tapes"—does greatly increase the scope for fiscal policy. The financial market is a sharp reminder of this.

Mr. Healey has also come to a more even assessment of the ideal demand. He could achieve an amount in which industry or may not deliver the with which is planned. This sage deserves trumpeting loudly: industry, as reported by the CBI, still seems to be living in a past in which growth rate was settled by Budget.

However, the Chancellor still some role to play in an

economy in which he cannot control either the financial markets or the performance of industry. One would hope that a Chancellor of Mr. Healey's intelligence would at least have sketched some ground rules for the policy of a Chancellor as constructed as he is.

In one respect he has done so. A Chancellor, if he follows Mr. Healey's example, must be a diplomat, treating with external powers—notably fellow members of the OECD, and the trade unions. This is an important objective is not the same thing as a policy—and nor is a thing as an instrument. Both policy and instruments seem to be lacking.

The first difficulty is to know what fiscal policy is. Mr. Healey has complained that industry has not completed the task of agreeing on standards for realistic accounting in the presence of inflation; but his own department has not even made a start on this task.

The result is totally chaotic.

become an art rather than a science, on which no two practitioners agree.

Even if it were possible to measure the fiscal stance presented in the Budget, it would still not be clear what it would mean. The U.S. authorities have lived quite happily for years with an estimate of a full-employment Budget balance, which gives some measure of underlying fiscal stance. It is not a perfect measure, but it is a good deal more informative than any of the measures available to us.

not relevant is the Chancellor's claim that there is little significant increase in the deficit as a percentage of GDP.

Mr. Healey preaches financial stability; and in any stable system the fiscal deficit, however measured, will fall when growth accelerates. The mirror of this is the difficulty of achieving the monetary target. Mr. Healey is not, of course, the first Chancellor to have generated more heat than movement by treading simultaneously on the accelerator and the brakes. But this is exactly the kind of mistake which a cynically corrected fiscal model, or for that matter Mr. Healey's practical monetarism, ought to warn him to avoid.

The difficulty is not to recognise the mistake—which may or may not be of great magnitude, but whose direction is more or less unarguable—as to be sure why it was made. Cynics will point to electoral pressures; but it is probably also true that a man of the Chancellor's powerful temperament chafes at the apparent constraints on his freedom of action. It is one thing to recognise in a speech that a Chancellor has very limited powers to steer, rather than simply to stabilise the economy. It is quite another to know it in your bones, and be happy with that knowledge. It is a particularly galling admission for a genuinely Socialist Chancellor faced with high unemployment. Mr. Healey may well have been unable to make it.

The tragic thing is that continued and probably self-defeating attempts to prove that economic management is, after all, still possible distract the

Chancellor from the difficult and highly necessary technicalities of his job. A Chancellor needs policies, aimed largely at stability, for the control of money and credit and the raising of revenue; but in fact a succession of Chancellors, obsessed with crises, Budget judgments and elections, have allowed both these systems to grow rusty and distorted. Modernising and refining these systems is a task to try the strategic will of a great Chancellor. It has so far been neglected.

There is no room to explore again the problems of controlling credit through an unstructured banking system and an inherently unstable gilt market; Mr. Healey has made at least a start. Taxation, on which he claims to be engaged in a long-term programme, is another matter.

The strategic aim for taxation proclaimed by the Liberals and Conservatives is worthy as far as it goes, but rather boring. One of the unsung benefits of North Sea oil is that any Chancellor, of whatever persuasion, will over the next few years transfer a good deal of the tax burden from personal to indirect taxes.

Mr. Healey has in fact hardly started on the process of relieving direct taxation. Most of this year's concessions are financed either out of drag, as I pointed out yesterday, or out of the happy accident that when inflation falls revenue from corporation tax, thanks to reduced stock relief, rises very sharply. In this respect, performance is likely to improve when oil revenues become a serious factor. However, the Chancellor used to have some other objectives.

When he took office he called for a wealth tax, which he said would be used quite largely to reduce taxes on high incomes—and on these terms even the CBI and the Institute of Directors have welcomed the principle. The tax proposed was impossibly clumsy and difficult to collect (the Liberals, as so often, have rather more radical and more practical ideas, because they tap the best academic brains rather than the best practical ones). As a result of this practical blunder, the principle has also been lost. The tax distinction between income and capital is especially misleading in a period of inflation (which is why there has been such a crop of avoidance schemes exploiting it), and it is also unfair and anti-incentive. The reform is difficult and wearing in practical terms; only a strategic determination would push it through, and Mr. Healey seems to lack the necessary vision.

This is perhaps why he has made no public comment at all on the deeply considered and



Two chancellors easy to read: Mr. Jenkins and Mr. Barber.

6 Mr. Healey . . . part politician, part monetarist, part Socialist, part philosopher and part opportunist . . . What is it, one is driven to wonder in a Henry Jamesian fashion, does he suppose, in his innermost mind, that he is, as it were, up to?

ant recognition of the realities of power, which will probably bind any successor of either major party—though a monetarist who is doctrinally purer than the present Chancellor may find this truth hard to stomach. The Powellite belief that a sufficiently strong monetary policy will render both the unions and foreigners harmless is seductive—until experience teaches better.

Diplomacy, however, is not the central role of a Chancellor, however much it may appeal to one who has so long dreamed of being Foreign Secretary. In his own field of strictly Treasury matters it is much harder to find anything which adds up to a new approach. Mr. Healey has an objective, it is true—steady, sustained growth rather than a short, sharp dash for it. But

To estimate how much any given measures adds to or subtracts from the underlying growth of demand, one must first know how much needs to be done simply to offset the results of fiscal drag. However, fiscal drag on the whole Budget balance—revenue and expenditure—is now almost impossible to estimate. Some items on each side of the account respond to wage movements, with or without an element of drag, some to price movements and some—most notably interest payments of fixed-coupon debt—respond only after a long lag. The lines between the important economic categories—planned expenditure, probable expenditure, real and financial transactions, productive investment and subsidy—have become irretrievably blurred. Estimating the effect of the Budget has

in the UK. Yet the Treasury has turned down every request for such an estimate, pleading technical difficulties. A minister might as well throw his compass overboard on the grounds that he found it hard to measure its deviation. Some measure—a full employment balance, a high employment balance, or perhaps a trend-growth-rate balance—would be a great deal better than unaided guesswork. If one such measure is thought unreliable, half a dozen others might be encouraged to bloom.

Any measure employed this year would be likely to convey the same message: Tuesday's Budget was de-stabilising. The fiscal deficit seems to have risen according to any meaningful measure, although estimates of the increase can vary widely; but the one measure that is

still more radical proposals of the Meade Committee, which would abolish the whole income-capital distinction. It explains perhaps why in Opposition he can pour scorn on Mr. Barber's proposal to use negative income tax to make redistribution more effective, but adopts exactly the same principle with enthusiasm when it comes to child benefit.

It may explain his failure, under pressure of his anti-inflation programme, to index specific duties, and his more radical failure, in 13 Budgets and mini-Budgets, even to look at the mess his predecessors have made of housing finance, with all its consequences for mobility and investment. This is not a flattering picture of a man who prides himself on taking long-term views; but Mr. Healey is a puzzling man. He would be a formidable one if he had the courage of his convictions; the courage, in his case, is hardly in doubt, but it is much less easy to detect the

Anthony Harris

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Anthony Harris

Letters to the Editor

Oil exploration discouraged

Mr. J. Hurd.
The House of Commons on April 5 concerning the Government's farm-in policy gave official recognition to practice which the Government has followed for several years. It has been common knowledge in the North Sea oil industry for some time that the Government is unlikely to consent to the offer of a licence interest in a British National Oil Corporation is given a preferential right to acquire a portion of the rest to be assigned. What is common knowledge, but somewhat surprisingly, not mentioned by Mr. Benn, is that the Government has demanded that some of all of the costs attributable to these circumstances be met by either at both of the final parties to the farm-in. In short, the price of Government consent to a farm-in has a carried interest. For the Government, there is no indication that it will ask for less than a 50 per cent interest in the "meaningful" operations referred to by Mr. Benn.

Typical farm-in usually gives the acquiring company a 50 per cent interest in the cost of oil or gas wells in return for a 50 per cent interest in the relevant licence. Contrary to popular belief, the assignor does not receive any of the costs of the assignment, and does not profit directly from the transaction. The transaction is viewed in the larger perspective, the merit of these arrangements lies in the fact that they enable companies to have generated new exploration ideas and which have the will and resources to test ideas to do so without the fiscal boundaries of any costs allocated to them in pre-licensing rounds. In older licensing provinces, such as the North Sea, large quantities of oil and gas have been discovered as a result of farm-ins in which the assignor either given up hope of finding oil or gas, or else did not have the resources or the will to explore further.

There is substantial evidence of the effect of the Government's practice in connection with farm-ins over the past few years. This effect should have been anticipated since very few exploration prospects are good enough for the potential assignee to be able to justify not only the assignor's share of the cost of the exploration, but also the assignor's share of the interest. It is difficult to how the benefits which Mr. Benn cited when he enshrined Government's farm-in practice as a part of official policy compensate for the adverse effect this policy will have on oil companies' willingness to continue with the ever more costly task of exploring for oil and gas in areas where the new being produced.

Hurd
Charles Street, W.1.

Outlook for foundries

From Mr. D. Liddard.
Sir, — In "Outlook for foundries," Mr. D. R. Shipley (April 3), states that management of the majority of foundries in this country are still "uneducated" on the true costs of making their products and are continuing to undercut the prices of the "educated" few. For a long time this has been the complaint of the industry and has been one factor contributing to the rapid elimination of foundries.

Between 1955 and 1970, the number of iron foundries in the United Kingdom was declining along a straight line course which, if continued, would mean complete elimination by year 2000. Figures are not so readily available for the other traditional foundry metals, copper, and its alloys, but it is thought that the decline in numbers of foundries has been at an even greater rate. The newer casting metals, aluminium and steel, have likewise fallen in numbers but at a lesser rate. This was the pre-inflation period, so with the lack of costing "education" about which Mr. Shipley complains, numbers will certainly continue to fall, prompted by the far greater rate of change of costs to-day.

The Government, disturbed by the lack of investment in the industry, has made large grants but these are specifically for improving productivity. Investment is even more badly required, however, for environmental control equipment. Such investment adds to costs. Because of the intense heat at the point of melting and the movement of hot metal in the foundry, there are special extraction problems which make equipment very costly and heavy on replacement. Many foundries are still notoriously dirty inside and out; to-day they are unable to attract the skilled labour so essential for their existence. It is regretted that the grants have not been available for purely

Changing BP's articles

From Mr. A. Wood.
Sir,—At the 69th annual meeting on May 4 shareholders of British Petroleum are being asked to support a special resolution to alter the articles of association. These changes remove the restriction of British nationality on directors, allow the holding of Board meetings outside England, increase the maximum director's fee from £1,000 to £3,000, require the disclosure of beneficial ownership, and moderate certain minor oddities in the articles.

In addition one proposed change removes the requirement of any shareholding qualification for directors. The report of the directors says that this is "in accordance with modern practice." While this may be so, it seems to me to be the ultimate in authority without responsibility and in my view should be opposed by the shareholders.

An appointment to the Board of BP must be one of the most prestigious directorships in the U.K. Europe and indeed in the world. Surely it is not unreasonable to ask that such appointees should indicate their confidence in the company by investing in it and thereby identifying their interest with that of the shareholders who, theoretically, appoint them. In practice, of course, companies of the size of BP tend to become self-perpetuating oligarchies unless disaster strikes.

The thirteen directors other than the Government nominees are 15,208 Ordinary shares, and receive remuneration of over

Battery driven

From R. J. Packman.
Sir,—The "All-torque" item (April 3) draws attention to the statement—in the Government sponsored report—that the adoption of electric cars is inevitable. Your article goes on to state that precious few funds have gone into proving the case for or against this form of vehicle as the big motor companies have vested interests in the internal combustion engine.

The same situation applied in 1912 when Rankin Kennedy in his three-volume "Book of the Motor Car" stated that in the year 10,000 electric vehicles were built, 6,000 being pleasure cars and 4,000 commercial cars. The forecast output was 15,000 for 1913, and his predictions 100,000 for 1915.

Historically expenditure went into the development of the internal combustion engine, although at that time the fact that the twin overhead camshaft engine with hemispherical combustion chamber was the best that was known. The money went into methods of producing the inferior side valve engine as cheaply as possible.

His reasons were also in keeping with modern logical thought: pollution although it was smoke from burned lubrication oil as well as poisonous gas (carbon monoxide) which was the inner city nuisance in those days. The other relevant area which he discusses at length is the battery. The lead-acid cell of that era was too fragile so the nickel-iron Edison battery was proving itself for use in transport at that time but the nickel-cadmium accumulator made by Worsnop and Co. of Halifax, England, was showing promise for all traction purposes.

It is to be hoped that a Government-backed electric car project in Japan is not allowed to win what is to be the growing market of the post-1980 era.

R. J. Packman.
Seahaven, 42 Pearce Avenue, Parkstone, Nr. Poole, Dorset.

To-day's Events

GENERAL
Polling day in Garscadden by-election (result expected about 1 a.m. to-morrow).
Commonwealth Ministers begin two-day meeting in London on proposed fund to stabilise commodity prices.
National Union of Mineworkers' executive meets.
Prime Minister begins two-day visit to Yorkshire.
European Parliament in session, Luxembourg.
President Ceausescu of Romania continues visit to Washington.
Governing body of International Energy Agency ends two-day meeting in Tokyo.

Advisory, Conciliation and Arbitration Service (ACAS) annual report.
Mr. Michael Pocock, chairman, Shell Transport and Trading, speaks on "Risk and Reward in Business" at London Chamber of Commerce lunch, Savoy Hotel, W.C.2.
Sir Peter Vaneck, Lord Mayor of London, and his Sheriffs attend Clothworkers' Company dinner, Clothworkers' Hall, E.C.3.
PARLIAMENTARY BUSINESS
House of Commons: Budget debate continues.

House of Lords: European Assembly Elections Bill, committee.
OFFICIAL STATISTICS
U.K. banks' assets and liabilities and the money stock; and London dollar and sterling certificates of deposit (mid-March).
COMPANY RESULTS
Associated Portland Cement (full year). Automotive Products (full year). Dickinson Robinson Group (full year). Ready Mixed Concrete (full year). Rowntree Mackintosh (full year).

COMPANY MEETINGS
Lunn (Ceylon) Tea and Rubber, Great Tower Street, E.C.3.
12. Olives Paper Mill, Charing Cross Hotel, W.C.12.
SPECIAL SERVICE
Annual service for Guild of Freeman of City of London, St. Paul's Cathedral (Crypt Chapel), 5.30 p.m.
OPERA
Royal Opera production of Der Freischütz, Covent Garden, W.C.2, 7.30 p.m.
English National Opera performance, of Destiny (final performance), Coliseum Theatre, W.C.2, 7 p.m.

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University of Oxford for the
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relation is a founder mem.

OUTSTANDING 36% INCREASE IN UK NEW BUSINESS

Extracts from the statement of Sir Robert Fairbairn J.P., Chairman, at the Annual General Meeting held in Glasgow on 12th April 1978.



Sir Robert Fairbairn J.P., Chairman

premium towards the end of the year made such investment appear attractive.

INVESTMENT PERFORMANCE

"The unit buying price of SCAMPI, the Society's Managed Fund subsidiary, increased by 52.9% during 1977. Comparisons of the investment performance... show quite clearly that SCAMPI's performance over the last three years is second to none.

Although such comparisons are not directly available for the Society's funds we believe that the investments performance of these funds has been of similar high quality for it is the same team of investment managers which looks after both the Society and SCAMPI. As evidence of the Society's performance in 1977 our equity share portfolio outperformed the FT All-Share Index by the substantial margin of over 10% and this after accounting for the reduction in value of our USA portfolio as a result of the fall in Wall Street."

FLEXIPENSION

"..... Flexipension has emerged as the most successful new policy we have ever introduced, producing in 1977 new yearly premiums of £3.6 million and new single premiums of £2.9 million."

INVESTMENT 1977

"Of the Society's new investment in the UK in 1977, £32.2 million was invested in Government and other Public Securities, £12.6 million in Ordinary Shares and £6.0 million in Property..... Part of our equity investment was used to increase our USA portfolio when the weakness in Wall Street coupled with the fall in the dollar

FISCAL NEUTRALITY

"One of the recommendations of the Meade Report was a plea for fiscal neutrality, i.e. that all forms of saving should be treated alike as far as tax reliefs and incentives are concerned. We would agree with this suggestion but only so long as it resulted in other types of long term saving receiving the same kind of relief as life assurance premiums and subject to the same terms and conditions. We could not accept the idea if it meant that the present tax incentives were to be taken away from life assurance for this could only result in the disruption and probably the curtailment of the flow of money into long term savings, savings which are vital to this country's economy."

RECORD UK NEW BUSINESS

Individual Assurances and Flexipension premiums + 47% on 1976

| | 1975 | 1976 | 1977 |
|----|------|------|------|
| £m | 7.1 | 8.7 | 12.8 |

New Annual Premiums

Group Life and Pensions Business (subject to pay policy restrictions until July) + 13% on 1976

| | 1975 | 1976 | 1977 |
|----|------|------|------|
| £m | 4.0 | 4.5 | 5.0 |

New Annual Premiums

TOTAL NEW PREMIUMS-PA

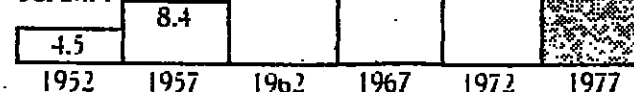
Total for Society (including business placed in Australia and with Scottish Amicable Pensions Investments Limited)

| | 1975 | 1976 | 1977 |
|----|------|------|------|
| £m | 11.9 | 13.9 | 18.6 |

PREMIUMS EXCEED £79m

The dramatic increase in premiums over the past 25 years reflects a period of sustained growth of sound quality business.

These figures include business placed in Australia and with SCAMPI



RECORD BONUS DECLARATION

Details of the Bonus Declaration for UK with profits policies for the 3 years ending 31st December 1977 and maturing after 31st March 1978, together with the new interim bonus rates are shown below.

| Series | Declared | Interim |
|--|--------------------|--|
| Principal* | £% 4.25 5.25 | £% 4.10 on Sum Assured 5.10 on existing bonus |
| Flexidowment (Second Series) introduced 1975 | 3.75 | 3.75 on Sum Assured 6.00 on existing bonus |
| Flexipension (First Series) introduced 1976 | 4.00 | 4.00 on retirement fund 6.00 on existing bonus |
| Superannuation (Second Series) introduced 1977 | 4.00 | 4.00 on Sum Assured 6.00 on existing bonus |
| Group Policies | 4.75 | On the benefit secured and not yet payable including past bonus additions still attaching. |

*includes all UK policies other than those listed individually.

The summary report will be sent to members. Copies of the full Annual Report and Accounts may be obtained on application.

SCOTTISH AMICABLE
130 St. Vincent Street, Glasgow G2 5NQ.

£1.6m. downturn leaves Glynwed at £13m.

WITH A DOWNTURN at the trading level in the stockholding and distribution operations from £5.3m. to £3.79m. and in the overseas household and industrial appliances side from £2.56m. to £0.85m., pre-tax profits of Glynwed slipped from £14.65m. to £13.03m. in the 53 weeks to end-1977 compared with the previous year.

In August, reporting first-half profits down from £7.44m. to £6.12m., the directors said that despite continuing uncertainties, an improvement was looked for in the second half.

Basic full-year earnings are shown at 9.2p (11.6p) per share and fully diluted at 8.9p (11.6p). The final dividend at 5.7p net lifts the total from 7.425p to 8.2p.

U.K. turnover... 33 wks. 1977 1976
1977 1976
33 wks. 1977 1976
1977 1976

The sharp downturn in the overseas operations reflected problems within the group's South African interests. Glynwed is now completing a deal, which will bring in the South African interests of the General Electric Company of America, but no early improvement is being looked for on returns from South Africa. Even with the addition of the GE interests, Mr. Fletcher says the group would be hard pressed to match the 1971 total of around £5m. to £5m. a slice of the slice of some £1m. but as part of

a major rationalisation programme, the group is now aiming to trim back both labour and interest payable, includes interest on bank overdrafts, and all other short, medium and long-term borrowings.

The figures include those of new subsidiaries whose aggregate turnover and profits before tax amounted to £5.22m. and £106,000 respectively.

Mr. Leslie Fletcher, the chairman says the results for first two months of the current trading period are ahead of last time and he is cautiously optimistic for the full year.

Overhead costs by some £1.5m. The sale of the steel sheet division—totalled around £12m. Within the scrap division, 1977 saw a deficit of between £200,000 and £300,000, while the foundries offshoot lost £400,000 excluding Temporary Employment Subsidies totalling £200,000.

Over the current year, group capital expenditure is likely to go down from the 1977 total of around £5m. to £5m. a slice of the slice of some £1m. but as part of

with more expansion of the steel side of the group's business.

comment

Glynwed's biggest headache has been the dismal performance of its S. African interests where trading profits fell 67 per cent. last year to £551,000—almost all of which was earned in the traditionally weaker first half. Given the depressed state of the economy in that country profits are likely to be even lower this year—despite the agreed merger between Glynwed's S. African subsidiary Dely Industries and General Electric's S. African subsidiary (with Glynwed taking a 68 per cent stake in the new company). The problems that Glynwed have faced in the U.K. look much easier to overcome and the group has already taken steps to improve its performance through a programme of closures, sale of certain businesses and rationalisation. Most of this work has been completed but the group is currently thought to be seeking to reduce further overheads in its sinks and showers division to a final total of around £11m. It has already agreed to sell its S. African subsidiary (which lost £12m. in 1977) to Finsider International of Italy while on the steel side, the group has closed its Cockerburn factory in Scotland. Meanwhile U.K. profits have been underpinned by a strong performance from copper tubes, while profits have also been helped by new acquisitions. All this points to a stronger U.K. performance in the current year but with S. Africa still severely depressed. The shares at 112½ yield 11.8 per cent, while the p/e is 10.7.

E. Fogarty jumps to peak £1.8m.

AFTER A FIRST half rise from £0.51m. to £0.73m., pre-tax profits of E. Fogarty and Co. doubled 1977 ahead from £1.25m. to a record £1.84m. on turnover of £17.45m. compared with £15.03m. After tax, on the £0.19 basis of £0.71m. (£0.58m.) adjusted earnings are shown to have risen from £1.21m. to £1.84m. as the group as promised the final dividend is 2.2718p net for a maximum permitted 3.4026p (3.0465p adjusted) total. A one-for-three scrip issue is also proposed.

As a result of the change in tax accounting £1,565,000, being the part of the deferred tax liability which is unlikely to be payable in the foreseeable future, has been reclassified and included in reserves. The change has also reduced tax for 1977 by £250,000 and for 1976 by £77,000. Assuming that consumer expenditure reaches the higher levels which are widely forecast, the directors would expect to see a further increase in turnover and profit for 1978, they tell members. The group operates as processors of man-made fibres, down and feather fillings, and manufacturers of house textiles.

Oil Ex. second half downturn

AFTER WRITING-OFF exploration expenditure of £284,000 compared with £124,298 last time, pre-tax profits for 1977 of Oil Exploration (Holdings) show a marginal rise from £1.73m. to £1.84m. on turnover of £5.02m. against £2.48m. In September the group reported first-half profits up from £1.00m. to £1.11m.

The tax charge at £498,948 (£701,888) has been reduced by the release of deferred tax in relation to Bates Oil Corporation, which was acquired in December, 1976.

Earnings on 13m. (10.3m.) 10p shares are shown at 7.1p (6.39p) per share and the dividend is raised from 1.887p to 2.076p net. The tax charge at £498,948 (£701,888) has been reduced by the release of deferred tax in relation to Bates Oil Corporation, which was acquired in December, 1976.

Deficit at John Finlan

With turnover down from £1.54m. to £1.27m. and competitive margins, John Finlan incurred a pre-tax loss of £23,103 for 1977 compared with profits of £23,223 last year, after a first-half surplus of £26,003 against £26,632.

Tax relief adds £40,015 (£37,478 charge) and after an extraordinary credit of £5,500 (£19,491) the net loss is £26,790 (£25,236 profit).

The loss per 10p share is shown down from 1.74p (1.19p earnings) and once again there is no dividend. The last payment totalled 4.9p net for 1973.

The directors say that enquiries and quotations continue at a high level and most of these are for larger types of buildings. Although the conversion to orders is still slow it would take little movement change the situation considerably.

The group operates as designers and constructors of industrial and commercial buildings and developers of industrial land.

£2m. by Richardsons W'garth

EXCLUDING THIS time turnover and earnings of its nationalised marine engineering subsidiary, Richardsons Westgarth and Co. slipped from £2.37m. to £2.2m. in 1977, on turnover down from £44.8m. to £38.8m.

Last year the subsidiary, George Clark and NE&I, continued to add £464,391 profit and turnover of £11.4m. This year's result does however, include a £177,763 dividend from Clark and interest estimated at £21,875 on the compensation for its vested assets.

At halfway, when profit was up from £0.8m. to £0.88m., directors predicted second half profits would be little different to the first half.

After tax of £0.97m. (£1.16m.) and minority interests of £57,341 (£59,108), attributable profit was £0.97m. (£1.17m.). The final dividend is 10.82p net for a maximum permitted 13.51p (14.13p) total.

A final dividend of 3.4844p takes the total for the year to a maximum permitted 4.3344p net

(4.108p). The group is engaged in marine, electrical and general engineering and boiler-making.

comment

As Richardsons Westgarth forecast in its last annual report, 1977 was an abnormal year. Even so, stripped of nationalised marine engineering subsidiary, George Clark and NE&I, the group managed to hold pre-tax profits just above the £2m. level. And excluding the estimated interest on what the company considers very conservative compensation for the nationalised asset, the overall trading figures indicate a marginal shortfall. This represents on reasonable result given the depressed conditions in the ship-repairing and steel stockholding industries. Contributions from its stockholding division was reduced mainly as a result of the poor performance of its principal subsidiary, E. Gerald. Thus, the only bright note came from the engineering services group, which was able to improve its trading return.

New investments would have to be found to replace the profit lost from the nationalised asset and in Hull steel stockholders, arduous. Bargh and Jones the group appears confident of regaining at least a portion. The shares at 37p give a yield of 12.8 per cent, and a p/e of just over 7.

Arthur Wood exceeds £300,000

An advance in taxable earnings from £122,087 to £133,434 in the second half of 1977 by Arthur Wood and Son (Longport) took the full-year profit to a record £304,634, against £192,297. The net dividend is raised to 1.888425p (1.93475p) per 30p share.

After tax of £141,308 (£102,448) net balance exceeded higher at £163,326 (£99,840). The company makes earthenware.

Amal. Metal finishes with £6.12m.

AFTER AN exceptional loss of £1.8m. due to a fraud, which was announced in June, 1977, pre-tax profits of Amalgamated Metal Corporation fell from £7.95m. to £6.12m. for 1977.

At midway profits stood at £2.39m. (£2.79m.) and at nine months at £4.7m. (£5.1m.). Full year earnings, before extraordinary credits of £0.65m. (£0.32m.), are shown at 34p (46.8p) per £1 share, and after such credits at 44.4p (54.4p). The final dividend is 10.82p net for a maximum permitted 13.51p (14.13p) total.

Turnover... 1977 1976
1977 1976
1977 1976
1977 1976

Extraordinary items no longer include exchange movements arising on consolidation which are now taken directly to reserves. The 1976 figures have been adjusted accordingly.

SKF (U.K.) to speed up cost cutbacks

The recovery plan introduced by SKF (UK) last autumn to combat rising losses is having an effect, but losses are still running at an unacceptably high level. Mr. C. O. Blomberg, the managing director, told a meeting of employees.

A company statement issued afterwards said that the loss in 1977 amounted to £5.3m. and could have been higher had not the recovery plan been initiated. The plan is to be accelerated to improve the company's manufacturing costs, and, as a result, the personnel cost reduction originally intended to cover 1978 and 1979 is to be brought forward, the directors say. The labour force cuts involved 73 jobs at Sundon and 125 jobs at Irvine. It is hoped that by 1978 this reduction will be achieved by natural wastage and voluntary separation coupled with transfer and retaining wherever possible, they add.

Additionally the company proposes to introduce a self-financing productivity scheme covering all staff and hourly-paid employees with the aim of raising productivity and further reducing costs. The company, which makes bearings, is an unquoted subsidiary of Aktiebolaget SKF of Sweden.

BMA advances to £1.47m.

Turnover for 1977 of British Midland Airways, a subsidiary of Bristow Airways, expanded from £18.65m. in 1976 to £20.2m. and profits jumped from £90,000 to £1.47m.

Turnover... 1977 1976
1977 1976
1977 1976
1977 1976

Mr. A. R. G. McGibbon, the chairman, says the year began in

E. FOGARTY & CO. LTD.

Manufacturers of continental quilts, pillows, bath and scatter rugs, soft furnishings, processors of feather, down and man-made fibre fillings.

| Year to 31st December | 1977 | 1976 |
|-----------------------|--------|--------|
| £'000 | £'000 | £'000 |
| Sales: U.K. | 14,733 | 13,776 |
| Export | 2,718 | 1,253 |
| | 17,451 | 15,029 |

| | | |
|--------------------------|---------|----------|
| Profit before tax | 1,940 | 1,252 |
| Taxation | 710 | 580 |
| Profit after tax | 1,130 | 672 |
| Dividends | 705 | 94 |
| Total dividend per share | 3.4026p | 3.0465p* |
| Earnings per share | 36.6p | 21.8p* |
| Net assets per share | 178p | 146p* |

*Adjusted for May 1977 Scrip Issue.

Meeting: The Annual General Meeting will be held at the Registered Office at 2.15 p.m. on 25th May 1978.

Dividends: An interim dividend of 1.1308p was paid on 8th November 1977. The Directors are now recommending the payment of the maximum permissible final dividend of 2.2718p per share.

Scrip Issue: A further scrip issue of one ordinary share for every three held is being recommended.

Taxation: Taxation liabilities have been recalculated in accordance with Exposure Draft 19 and as a result of this change in policy £1,565,000 being that part of the deferred tax liability which is unlikely to be payable in the foreseeable future has been reclassified and included in reserves. The change has also reduced the tax charge for 1977 by £250,000 and that for 1976 by £77,000.

Trading Prospects: Assuming that consumer expenditure reaches the higher levels which are widely forecast we would expect to see a further increase in turnover and profits for 1978.

C. R. W. FLEET CHAIRMAN

Church

(Manufacturers and retailers of quality shoes)

"We hope that 1978 will prove to be a good retail year"

reports Ian B. Church, Chairman

- Sales rose 15.6% and pre-tax profits increased by 21%. The maximum dividend is recommended and a substantial increase will be declared when controls permit.
- Retail profits rose 28% to £1.32m. and exports increased once again to £3.5m. All our factories have reasonable order books.
- Business in both the USA and Europe has been excellent, but the hoped for improvement in Canada did not occur.

| Comparative results | 1977 | 1976 |
|---------------------|-------------|-------------|
| Sales | £19,530,514 | £18,800,789 |
| Pre-tax profit | £2,374,643 | £1,963,137 |
| Earnings per share | 24.6p | 20.5p |
| Dividend per share | 3.37p | 3.82p |

Copies of the Report and Accounts can be obtained from the Secretary, Church & Co. Ltd., St James, Northampton NN5 5JB

"Sales and profit achieve new record"

reports C.T. Wells, OBE, TD, Chairman

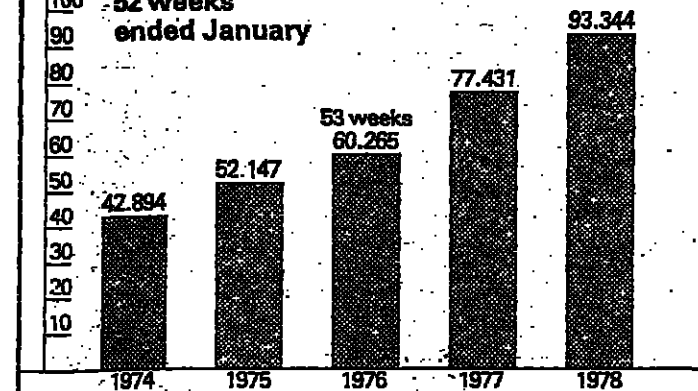
Sales for the 52 weeks ended 28th January 1978 increased by 21 per cent and profit before taxation by 27 per cent. As forecast at the time of the rights issue it is proposed to increase the equivalent gross dividend by 42.7 per cent.

Sales in the first two months of the current year have been ahead of inflation and it is expected that there will be satisfactory increases in both turnover and profit in 1978.

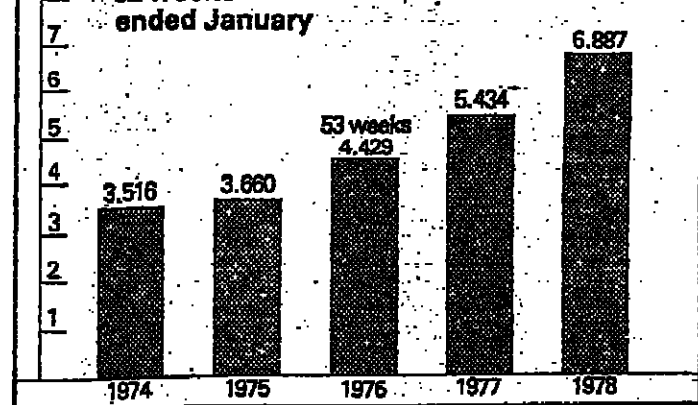
Group Results

| 52 weeks ended January | 1978 | 1977 |
|----------------------------|---------|--------|
| £'000 | £'000 | £'000 |
| Sales (excluding VAT) | 93,344 | 77,431 |
| Net Profit Before Taxation | 6,887 | 5,434 |
| Net Profit After Taxation | 3,260 | 2,622 |
| Earnings per share | 12.74p | 11.50p |
| Dividends Interim | 2.22p | 1.53p |
| Proposed Final | 2.6046p | 1.80p |

SALES (excluding VAT)



PROFIT BEFORE TAX



EMPIRE STORES

(Bradford) Limited

Henry Boot hit by reduced margins

SELECTING DIFFICULT trading conditions during 1977, Henry Boot and Son fell from £2,013,000 on turnover at £2,013,000 to £2,013,000, a half-way directors' meeting, a surplus down at £1,000 (£1,000), said that margins generally remained under pressure.

Startrite 36% ahead so far

Profits for the half year to end 1977 of Startrite Engineering Group rose by 36 per cent. from £156,300 to £214,440 subject to tax of £129,500 against £96,000. The directors predict a record full year surplus compared with last year's £121,288.

Regional Properties

At the EGM of Regional Properties yesterday, the resolution approving the issue of £2m. 8s. convertible mortgage Debentures 1987-90 to £1,000,000 and increasing the authorised share capital of the company was passed.

Pye opens year with strong order books

ST MEMBERS of the Pye Group, where directors believe there is considerable potential for export market, particularly in the field of television, have begun 1978 with strong order books and enhanced prospects.

none against. The votes cast represented 68.1 per cent. of the votes capable of being cast at the meeting.

Record £0.45m. for Rowan & Boden

On turnover up from £7,631m. to £8,551m, taxable profit for Rowan & Boden rose from £406,362 to a record £449,710 in 1977. At half-way profit was £200,000 lower at £202,000 but the directors forecast a steady advance in the full year's performance.

Federated Land off to good start

In his annual statement Mr. J. H. Meyer, the chairman of Federated Land and Building Company, says that 1978 has started well with house sales buoyant, but profits will depend very much on the level of interest rates and on the house sales rate.

MINING NEWS

Eldorado now doing well

BY KENNETH MARSTON, MINING EDITOR

AFTER HAVING been hit by Canada's temporary freeze on uranium exports to EEC countries and Japan in the first half of last year, the Canadian State-owned Eldorado Nuclear uranium mining and processing concern made up lost ground in the second half with the help of higher uranium prices.

Bougainville is cautious

THE Rio Tinto-Zinc group's Bougainville mine in Papua New Guinea expects copper prices to remain at depressed levels for some time to come which will adversely affect its profits for 1978 reports our Perth correspondent.

The chairman, Mr. F. F. Egle, said at yesterday's meeting that the rehabilitation of Papua New Guinea's Kina would also affect the profit, although in the broader context the Government's policy of maintaining a strong currency provided a sound economic and financial basis for business enterprise.

Rises in material equipment and labour costs appeared inevitable despite measures being made. There would be a continuing need for investment to offset the effect of declining head grade and to replace equipment, he added.

The mine's production for the first quarter of 1978 was a record and the chairman said that the company's production for the first quarter of 1978 was a record and the chairman said that the company's production for the first quarter of 1978 was a record.

Falconbridge may be over worst with nickel firmer

NICKEL operations of Falconbridge Nickel in Canada and Norway are running at about 50 per cent of capacity while the Dominican Republic mine is operating at 45 per cent.

Mr. Cooper commented on the fact that consumer nickel stocks were low and that the price of nickel was firming. He said that the company's production for the first quarter of 1978 was a record.

This month the new smelter at Sudbury, Ontario, should begin operations. Its cost is now up at \$230m. compared with the previous estimate of \$205m. which had overestimated inflation rates and other costs.

In the fourth quarter Falconbridge's production of nickel was 10,000 tonnes, up from 9,000 tonnes in the third quarter. The company's production for the first quarter of 1978 was a record.

Westinghouse-Cyprus \$68m. uranium deal

THE Wynnian Mineral unit of Westinghouse Electric is to pay Cyprus Mines \$68m. (£26.6m.) for mineral exploration and development rights over 13,630 acres of Cyprus' uranium properties in Fremont and Tamar counties, Central Cyprus.

ROUND-UP

Denison Mines and Gulf Oil Canada have agreed to form a joint venture for a feasibility study and development of the Belcourt metallurgical coal property about 60 miles south of Dawson Creek, British Columbia.

THE ALLIANCE TRUST COMPANY LIMITED

The following is the Statement by the Chairman, Mr. David F. McCarrach, circulated with the Annual Report for the year ended 31st January 1978.

RESULTS
Earnings for the year at 7.37p (excluding an exceptional tax credit of 0.25p) exceed the forecast made in the Interim Report in September and are more than 10% higher than last year. This follows on the increase of 19% last year. The rise in gross revenues resulted from a 17% increase in franked income attributable in part to the £5 million additional investment in U.K. equities referred to last year and also to such increases in U.K. dividends as were possible within the Treasury limits.

VALUATION
Stock markets have a drab performance in 1977, 78 with the exception of the U.K. Our net asset value improved by 11.4% which by a narrow margin, is a new year-end high. The F.T.A. All-Share Index rose by 22% and the F.T. Fixed Interest Index by 20%. By contrast, in the U.S. the S. & P. 500 Share Index fell by 12% and by 22% when adjusted for the appreciation of Sterling in investment currency terms against the dollar.

PROSPECTS
Last year I dared to note the hope that the resources coming from North Sea oil would not be squandered but would be applied to fuel and lubricate structural changes in government and industry, in attitudes and institutions. There are indeed now signs of thought and action pointing to just such changes.

Immediately and specifically the Inland Revenue's discussion paper "Capital Gains Tax: tapering relief" seeking to take account of inflation reopens the unsatisfactory compromise system under which we now labour. Any justification of the new ideas to Trustees would need a machinery of unmanageable complexity and underlines again the case for total exemption of Trusts, leaving the whole liability to be met by the shareholder only when he finally realises his profit in cash.

Mr. Roger Wake, Chairman of Carpets International Limited, made the following comments on the Company's results for 1977, announced yesterday.

Across the Group, we have to face the fact that world-wide trading conditions last year were difficult - and that has been the general experience of the carpet industry as a whole.

Results in the UK must be viewed against a background of over-capacity in certain sections of the industry, where the achievement of adequate profit margins has become increasingly difficult. About 70% of our sales took place in the UK. We increased turnover by £8 million to £77 million but profits of £5.1 million from UK sales, compared with £4.1 million in 1976, were adversely affected by continuing price restraints, combined with weak market conditions during part of the year.

Westinghouse said its Wynnian unit will have a 48 per cent. interest in the project while Cyprus will hold the remaining 52 per cent. and will act as operator for all exploration and development and production.

Denison Mines and Gulf Oil Canada have agreed to form a joint venture for a feasibility study and development of the Belcourt metallurgical coal property about 60 miles south of Dawson Creek, British Columbia.

Exploration and feasibility studies costing between \$C10m. and \$C15m. will begin immediately. Denison will hold a 60 per cent. interest and Gulf Oil 40 per cent. in the project which will be managed by Denison.

The Malaysian Mining Employers Association and the National Mining Workers Union have signed a new wage agreement. As a result 5,200 workers in tin mines owned by more than 30 companies will receive wage increases of about \$2m. (£1.3m.) this year, \$200,000 in 1979 and about \$750,000 in 1980.

Reasonable Performance Except in Australia

Our position in Australia is exceptional and I do not want to dwell on historical facts which are well known to shareholders. The simple fact is that Pacific Carpets International has been hit drastically by a sequence of events, many beyond our control, which over five years has caused a massive shift in our fortunes from a profit of over £2 million in 1973 to a less last year of £3.3 million.

We have of course taken the most vigorous action, as a result of which we have significantly reduced our investment in terms of property, plant, working capital and employees, whilst retaining sufficient productive capacity to meet expected demand. Last November the Board of the Australian company was reorganised under the executive Chairmanship of Mr. Jonathan Crossley, the parent company's Vice Chairman, who is currently directing our affairs in Australia.

These steps are now beginning to arrest the decline but we shall not hesitate to take further action if the expected results are not forthcoming in a reasonable period of time.

The volatile Australian economy and a continuing high level of imports may upset our predictions, as it did last year, but the company is now better placed to operate in the prevailing conditions. If the market improves we have good prospects of resuming profitable operations in Australia, albeit on a small scale, in the foreseeable future.

Results at a Glance

| | 1977 | 1976 |
|------------------------|---------|---------|
| Turnover | £110.67 | £103.16 |
| Profit before taxation | 1.32 | 3.71 |
| Earnings | 0.76 | 1.46 |
| Earnings per share | 3.2p | 6.4p |
| Retentions | £0.06 | £0.22 |
| Dividend | 0.39 | 1.30 |
| Dividend per share | 1.6p | 5.5p |

1976 figures have been re-stated where appropriate to make them comparable with figures for 1977.

The directors do not recommend the payment of a final dividend for the year ended December 31, 1977. The total dividend for the year will be 1.85 pence per share (1976 5.51p).

The Annual General Meeting will be held at Carpets International Centre, Barnes Street, London W.1., at 12 noon on May 25, 1978.

OUTLOOK
Finally, I should say that it is too early in the current year to make any predictions. We are constantly monitoring our performance against plan for all our operations, and I intend to report on trends at the annual general meeting.

We are neither depressed nor complacent but it would be wrong and misleading in the current environment - despite some indications of improving market conditions - to take anything but a cautious view.

Chairman
Carpets International Limited, Kidderminster, Worcestershire

MONEY + EXCHANGES

Free credit supply

Bank of England Minimum Lending Rate, 7 1/2 per cent. (since April 21, 1977).

day-to-day credit appeared to be in good supply in the London money market. The market was helped close at 4.44 per cent. in the interbank market, overnight loans were at 4.44 per cent. and new discount rates over revenue of the surplus brought rates down to 4.44 per cent.

transfers to the Exchequer. There was also a fall in the note circulation as well as a small number of maturing Treasury bills. On the other hand there was a fairly large sum of local authority bills maturing in official hands.

Discount houses' buying rates for three-month Treasury bills stabilised at 6.65-6.32 per cent. indicating an M.R. of 7 1/2 per cent. under the presently suspended market related formula.

Local authorities and finance houses seven days' notice, others seven days' fixed usually three years 10 1/2-11 1/2 per cent. four years 11-11 1/2 per cent. five years 11-11 1/2 per cent. six years 11-11 1/2 per cent. seven years 11-11 1/2 per cent. eight years 11-11 1/2 per cent. nine years 11-11 1/2 per cent. ten years 11-11 1/2 per cent.

down to 4.44 per cent. After firming during the afternoon to 5.44 per cent. and then easing to 4.44 per cent. closing balances were taken around 5 per cent. Discount houses' buying rates for three-month Treasury bills stabilised at 6.65-6.32 per cent. indicating an M.R. of 7 1/2 per cent. under the presently suspended market related formula.

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Deutsche Länderbank

Stützpunktgesellschaft

Frankfurt am Main

Financial Highlights

| | Dec. 31, 1977 | Dec. 31, 1976 |
|----------------------|---------------|---------------|
| Total Assets | DM 3,750 m | DM 3,225 m |
| Deposits | DM 3,365 m | DM 2,799 m |
| Loans | DM 1,062 m | DM 996 m |
| Capital and Reserves | DM 108 m | DM 105 m |
| Dividend | 18% | 18% |

CHEL TENHAM AND GLOUCESTER BUILDING SOCIETY

Annual General Meeting

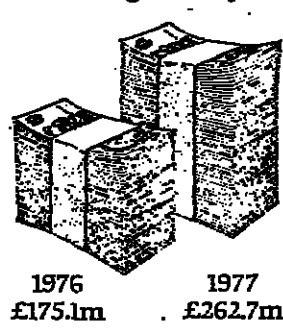
ASSETS BREAK £1 BILLION BARRIER—NEW SAVINGS AND HOME LOANS RECORDS ESTABLISHED IN YEAR OF UNPRECEDENTED GROWTH.

The Annual General Meeting of the Cheltenham & Gloucester Building Society was held in the Society's Chief Office on Wednesday 12 April 1978.

In his report on the 1977 results, the President MR. CHARLES E. JESSOP, T.D. drew attention to the following:

| COMPARISON OF ANNUAL RESULTS | | |
|------------------------------|---|---------|
| 1976 | | 1977 |
| £399.3m | Total Assets | £504.9m |
| 14% | Growth | 26.5% |
| £15.5m | Reserves | £19.8m |
| 3.87% | Reserve Ratio | 3.91% |
| £66.4m | Liquid Funds | £125.7m |
| 16.6% | Liquidity Ratio | 24.9% |
| £175.1m | Investment Receipts (including interest credited) | £262.7m |
| £83.9m | Mortgage Advances | £87.8m |

Inflow of Members' Investments and Savings soars by 50%



"...notwithstanding a well above average growth, the financial strength of the Society, as measured by its Reserves and Liquidity, has not only been maintained but has been increased."

In September the Society introduced a most attractive and flexible savings scheme known as "Savings Builder" and already well over 7000 new accounts have been opened—proof indeed that they meet a real need.

The number of Mortgage Advances to borrowing members under the age of 25 increased from 14% in 1976 to 19% of total loans in 1977.

The Society accepted mortgages on an increasing number of pre-1919 properties—27.5% of loans being in this category.

Whilst the total mortgage business in the "pipe-line" at the beginning of last year was under £67m, by the end of the year this commitment had reached nearly £24m.

During the year 15 new offices were opened. At the end of the year the Society had 84 Branch Offices and also 321 appointed Special Agents.

Cheltenham & Gloucester

CHEL TENHAM HOUSE · CLARENCE STREET · CHEL TENHAM GL50 3JR · TEL: 0242 36161

BUILDING AND CIVIL ENGINEERING

The Building and Civil Engineering page is published in the Financial Times every Monday and carries news items relating to contracts and important developments in the Construction Industry.

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10 Cannon Street
London EC4A 4BY

BARLOW RAND LIMITED

(Incorporated in the Republic of South Africa)

Members are referred to the joint announcement made today by this company and THE GENERAL ELECTRIC COMPANY LIMITED ("GEC") in regard to the acquisition of a 50% equity interest in GEC's subsidiaries in the Republic of South Africa which are referred to therein as "the GECSA Group".

GEC is Britain's largest electrical and electronics company and is one of the world's major electrical companies. In the late 1960s GEC acquired Associated Electrical Industries Limited and merged with The English Electric Company Limited which, together, embraced the names of "Marconi", "Elliott-Automation", "Metropolitan Vickers" and "British Thomson-Houston".

The directors have decided that approximately R 20.0 million of the purchase price of R 27.5 million should be raised by a "rights" issue of preferred ordinary shares. The balance will be provided from this company's own resources.

That issue will be of 5 preferred ordinary shares for every 100 ordinary shares held on a prescribed date (which will be given in the issue documents) at a price of 370 cents per share payable in cash to the currency of the Republic of South Africa. Standard Merchant Bank Limited has agreed to underwrite that issue.

The preferred ordinary shares will rank pari passu with this company's ordinary shares except as regards dividends. They will be entitled, after this company's cumulative preferential dividend and in priority to dividends on its ordinary shares, to a fixed annual non-cumulative cash dividend of 36 cents, one half of which will be declared on each 31 March and 30 September and to a pro rata share of that dividend from the closing date of the issue to 30 September 1978 (both dates inclusive).

If the aggregate cash dividends declared and paid by this company in respect of its ordinary shares for any financial year from 1 October 1977 exceed 36 cents per ordinary share then its preferred ordinary shares will be entitled to the excess for the same year.

Those preferred ordinary shares will automatically become ordinary shares after the year in which the aggregate cash dividends declared and paid by this company in respect of its ordinary shares are equal to or exceed 36 cents per ordinary share.

As the GECSA Group will become this company's subsidiary its results will be consolidated with effect from 1 April 1978. The consolidation of this company's earnings for the year ended 30 September 1977 and net assets as at that date with the estimated earnings for the year ended 31 March 1978 and the net assets of the GECSA Group at that date after taking into account this company's proposed method of financing the purchase consideration would have had a negligible effect on this company's earnings and net assets per share.

It has been the policy of the directors to further the Group's participation in the growing and very important technological fields. It is considered that the acquisition of that interest in the GECSA Group, and through it the association with GEC, is in line with this aim and will be of great benefit to this company.

The general meeting for the creation of those preferred ordinary shares will be convened as soon as possible.

JOHANNESBURG 11 April 1978

Standard Merchant Bank Limited
(Incorporated in South Africa)
Standard Bank

مصارف الجنوب

BIDS AND DEALS

CANADIAN REFINERY TROUBLES

Peat Marwick & Kleinwort Benson get \$120m. writ

BY LYNDON WATKINS IN HALIFAX AND CHRISTINE MOIR IN LONDON

TWO MORE British companies have become embroiled in the legal actions by which Mr. John Shaheen is trying to block the sale of his Come By Chance oil refinery in Newfoundland which is in receivership.

On Monday Avalon Refining, a subsidiary of Shaheen Natural Resources, set up to recover the refinery, began a \$120m. law suit against the receiver, Mr. Gary Coulter, vice-president of Peat Marwick & Kleinwort Benson, subsidiary of U.K. accountants Peat, Marwick, Mitchell, and the London merchant bank Kleinwort Benson.

Kleinwort Benson's solicitors in London confirmed yesterday that the writ had been served on Monday and that it would be contested.

Mr. Coulter disclosed the terms of Avalon's own offer to buy back the refinery (which was rejected) to Kleinwort Benson, the Export Credit Guarantee Department of the British Government and other interested parties to the detriment of Avalon's offer.

It also claims that the defendant maliciously disparaged Shaheen, his bankers and associates in order to advance the interests of other competitors for the refinery.

Mr. Coulter, vice-president, Mr. Jessie Taub, told in New York yesterday that the suit was not a capricious action nor merely a stalling operation.

The suit adds one more to the list of legal actions brought by Shaheen in recent years. They include a \$189m. claim against the builders of the refinery: \$100m. against Morgan Stanley, New York

While any settlement will have

to be acceptable to the principal mortgage holders, an added note of urgency has arisen. It is costing about \$4m. a year to maintain the plant in its present mothballed condition—and the mothbaling money is running pretty tight.

Ultramar offered to pay the Export Credit Guarantee Department the \$12.5m. cost of carrying out the mothbaling. It also suggested paying \$210m. to creditors out of 20-year anticipated earnings. Total indebtedness is about \$800m., half of which is owed to Atlantic, which acted as broker in the supply of Middle East crude for the refinery.

The formal rejection of the Ultramar offer became academic after the Newfoundland Government, a second mortgagee, said its proposal wasn't acceptable. Premier Frank Moores said the company's bid was sufficiently uncertain as to make the environmental hazards of having an oil transfer terminal "not worthwhile."

Ultramar already runs a small refinery in Newfoundland and the province was disappointed the bid was not acceptable. Ultramar wanted the right to shut down the plant if losses totalling \$10m. occurred in two consecutive years.

It proposed leaving the plant inoperative until 1981, returning it to production after that date only if a feasibility study showed it was capable of at least 80 per cent. profitable operation. The bankruptcy occurred because the plant failed over to produce at more than 60 per cent of its designed capacity.

book value of net assets "it nevertheless takes into account the future prospects of the Richardson group."

Richardson manufactures specialist chemicals used in the preservation of timber and buildings. CHI sees it as a natural extension of its existing interests in the supply of specialist products to the building and construction industries.

ICFC AID FOR DELTA MOULDINGS

Industrial and Commercial Finance Corporation is helping two directors of Delta Mouldings to buy a majority stake in their company through a £300,000 loan and 500,000 of shares capital.

Mr. Bill Williams and Mr. Roy Mansfield, the two directors, wanted to buy stakes in Delta Mouldings from the owners Mr. Michael Grant and they did not have sufficient funds.

The problem was circumvented by the creation of a new company with a relatively small equity base in which the two buyers could take a 50 per cent. share.

ICFC has helped the arrangements. In designing the arrangements, ICFC has had to be careful not to fall foul of section 34 of the Companies Act which prohibits loans by companies enabling the purchase of shares in the company.

Delta Mouldings produces parts such as soles for the shoe manufacturing industry. Its turnover is about £2m. a year.

ICFC provides medium and long term finance for small and medium sized companies.

ASSOCIATES DEAL

J. Henry Schroder Wagg and Co. sold 25,000 Wheatheaf at 188p on behalf of associates.

Association of the Holders of 1976-1982 Bonds of a nominal value of U.S. \$1,000 with floating interest rates issued by...

CREDIT LYONNAIS

Registered Office: 4, rue Aeneas, 92202 NEUILLY SUR SEINE

CREDIT LYONNAIS

Limited Company with a Capital of FF527,600,000

Registered Office: 18, rue de la République—69002 LYON

Central Office: 19, Bd des Italiens—75002 PARIS

Trade Register: LYON B 954 509 741

Financial Publications: SIRET 954 509 741 00011 A.P.E. 8902

SECOND CALLING NOTICE OF THE HOLDERS OF 1976-1982 BONDS OF A NOMINAL VALUE OF U.S. \$1,000

WITH FLOATING INTEREST RATES

As the Ordinary General Meeting of the Holders of 1976-1982 Bonds of a nominal value of U.S. \$1,000 with floating interest rates, which had been called for 3rd April, 1978 with hereafter detailed agenda, could not hold any valid deliberations notwithstanding that a quarter of the Capital likely to be represented, the Bondholders are being called anew by the Committee of Directors of the Association to a General Meeting (second Meeting) to be held on 8th May 1978 at 3.30 p.m., 19, Boulevard des Italiens—75002 PARIS.

The General Meeting (second Meeting) will be considered as holding valid deliberations irrespective of the number of Bonds possessed by Holders either present in person or represented.

AGENDA

Approval of the Appointment of the Association's Directors in compliance with article 7 of their Articles of Association.

Bondholders will have, in view of either their admission in person to the Meeting or the appointment of a proxy, to deposit their warrants five days before the Meeting date with one of the following Banks or Institutions:

COMMERZBANK AKTIENGESELLSCHAFT
UNION DE BANQUES ARABES ET FRANCAISES—U.B.A.F.
BANCO DI ROMA
BANCO HISPANO AMERICANO
BANK OF AMERICA INTERNATIONAL LIMITED
BANKERS TRUST INTERNATIONAL LIMITED
BANQUE BRUXELLES LAMBERT S.A.
CHASE MANHATTAN LIMITED
CITICORP INTERNATIONAL BANK LIMITED
EUROPARTNERS SECURITIES CORPORATION
FIRST CHICAGO LIMITED
GROSZENTRALE UND BANK DER OSTERREICHISCHEN SPARKASSEN AKTIENGESELLSCHAFT
KREDITBANK S.A. LUXEMBOURGEOISE
LOYDS BANK INTERNATIONAL LIMITED
MANUFACTURERS HANOVER LIMITED
MORGAN & Cie S.A.
UNION BANK OF SWITZERLAND (SECURITIES) LIMITED

where proxy forms will be held at their disposal. The proxy forms lodged on the occasion of the First General Meeting remain valid for the second one.

The Committee of Directors of the Association of the Holders of 1976-1982 Bonds of a nominal value of U.S. \$1,000 with floating interest rates issued by CREDIT LYONNAIS

Thorn's £6.6m. U.S. expansion

THE PURCHASE of two U.S. companies is announced by Thorn Electrical at a cost of £6.6m. It says the acquisitions are part of a general strategy of moving into the American market, an aspiration it shares with several other European electrical groups.

Thorn is buying James G. Biddle and Co., which is based in Philadelphia and is a distributor of Thorn's measuring instruments. Biddle also makes a complementary range of instruments to its own design.

The other acquisition is part of the Speco division of the Kelsay Hayes Corporation, which has been a Thorn licensee for hydraulic products. A new company, Towler Hydraulics, has been formed to take over the Speco interest.

Thorn says it is actively seeking further acquisitions in the U.S. It has formed a holding company, Thorn Electrical Industries (U.S.A.) Incorporated and opened an office in New York.

Several other U.K. companies have recently been buying small operations in the U.S. They include Ferranti and Racal. The General Electric Company has hired Mr. Geoffrey Cross, former head of international computers, to prospect for possible acquisitions. Siemens of West Germany has also shown considerable interest in the U.S. and has made a number of recent acquisitions in the electrical field.

BOOKER MCCONNELL BUYS ITALVINI

Booker McConnell has completed the purchase of Italvini, a private company importing, marketing and distributing Italian wines in Britain, for £1.2m. The deal was first announced last month.

SHARE STAKES

J. H. Fenner and Co. (Edg.) Further to the announcement that Morgan Grenfell Trustee Services, as trustee of David Brown Holdings, was interested in 2,468,005 Ordinary shares of Fenner, Morgan Grenfell Trustee Services announces that in consequence of a subsequent change of ownership of such shares in David Brown Holdings on April 5 they ceased on that day to be interested in the above-mentioned shares in the capital of Fenner.

Initial Services, London and Manchester Assurance Co. has increased its holding of 5.95 per cent. cumulative Preference shares registered in its own name and that of its subsidiaries to 96,500 (24.125 per cent.) shares.

Parabank Portfolio Management now holds 84,000 Ordinary shares (9.18 per cent.).

Wholesale Fittings Co. Mr. D. S. Rose, a director, has notified the company that, as a result of changes in the number of shares held by the John Altmann Settlement, which has no beneficial interest, his shareholding in the capital of Wholesale Fittings is now 520,000 (14.39 per cent.) beneficially held Ordinary shares. Mr. R. Rose and others, as trustees of the John Altmann Settlement, are the Monopolies Commission.

NO PROBE

The proposed merger between Sempa Group/Bury and M. (Holdings) is not to be referred to the Monopolies Commission.

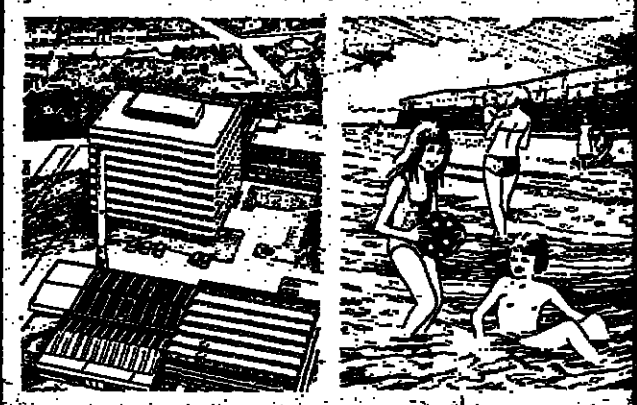
There's a strong case for re-locating at KING'S LYNN

For firms...

King's Lynn offers manufacturers, importers and exporters one of the most modern docks along the East Coast with regular service to Hamburg and a large liner service to Greece, Cyprus and The Lebanon. Labour relations are excellent—offices and factory buildings are available, and land is waiting for you to build on.

...for families

King's Lynn offers housing at every price level; good shopping, good education and hospitable care, plenty of recreational facilities and a wonderful choice of country and sea-side to enjoy. The Royal Estate at Sandringham is 15 minutes away; beautiful beaches and the Norfolk Broads are all immediately accessible.



For further details please write or telephone: Ken Faulkner, Expansion/Public Relations Officer, West Norfolk District Council, Clifton House, Queen St., King's Lynn, Norfolk, Tel: 0533 862

WEST NORFOLK DISTRICT COUNCIL

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to any person to subscribe for or purchase any preference shares.

George Armitage & Sons Limited

(Incorporated under the Companies Act, 1929)

ISSUE OF 512,000 10½ PER CENT. SECOND CUMULATIVE PREFERENCE SHARES OF £1 EACH

The Council of The Stock Exchange has granted a listing for the above-mentioned preference shares. Particulars of the rights attaching to them are available in the Extel statistical service and copies of the statistical card may be obtained during usual business hours on any weekday (Saturdays and Bank Holidays excepted) up to and including 28th April 1978 from:

Samuel Montagu & Co. Limited
New Issue Department
Augustine House
Austin Friars
London EC2N 2JL

de Zoete & Bevan
25 Finsbury Circus
London EC2M 7EE
and at
The Stock Exchange

13th April 1978

U.S. \$ Union of C of C Not Warburg S. G. War

\$6.6m
Expansion

INTERNATIONAL FINANCIAL AND COMPANY NEWS

DRTH AMERICAN NEWS

Control data well set

MINNEAPOLIS, April 12. **SULTS FROM** Control Data Corporation for the first quarter of this year bear out the Board's earlier forecast that 1978 will bring a further increase in the record earnings of the previous year, even if it proves difficult to repeat the gain of 42 per cent in profits.

The 1978 first quarter, the group has turned in net income increased by 20 per cent to \$15.7m, or 90 cents a share against 75 cents last time. Sales rose by 18 per cent to \$400.4m.

Agencies for both quarters were struck after an extraordinary credit of \$500,000 or 2 cents a share, but the 1977 quarter has been revised to reflect an increase in net earnings of \$1.3m, or 8 cents a share. Last year, earnings of Gulf Insurance were consolidated.

Combined revenue, which takes in revenue of Control Data and its subsidiary Commercial Credit Corporation, was \$404.4m. In the 1978 first quarter, compared with \$323m. previously.

In the full year 1977, the group reported a sales increase of 10 per cent, a rate which the board hoped to maintain this year. But last year's final quarter showed a slowdown in earnings growth to 36 per cent, against 43 per cent for the full year.

At the end of last year, Control Data stock was among the most active on Wall Street after continuing strong order books in its computer equipment and peripherals business sections.

Meanwhile, Bell and Howell Company and Telemation, of Salt Lake City, have signed an agreement under which Bell and Howell is to purchase the assets of Telemation's video hardware manufacturing division. No purchase price was disclosed.

Administration backing Conrail plea for funds

BY JOHN WYLES

THE CARTER Administration urged a Congressional committee today to agree to the request from the Government-sponsored Consolidated Rail Corporation for an additional \$1.28 of Federal financing.

Mr. Brock Adams, the Transportation Secretary, outlined the Administration's view to a House subcommittee which at the moment is considering a proposal to provide only \$600m. to the troubled railway. Created in 1976 out of some of the wreckage left by the collapse of the Penn Central, Conrail has already drawn about \$1.5bn. of its original \$2.1bn. entitlement.

The costs of replacing delapidated rolling stock, two harsh winters and the recent coal strike are stalling Conrail's struggle for profitability.

The House subcommittee was told yesterday by Mr. Donald Cole, president of the U.S. Railway Association that Conrail could yet require more than another \$1.28bn.

Conrail's projection of a financial recovery over the next five years are based on "rather optimistic" assumptions, said Mr. Cole, which included an expectation of steadily increasing traffic.

Mr. Adams has said that he sided.

NE WYORK, April 12. **TURNING IN** record first quarter earnings, RCA Corporation says it expects 1978 to be another peak year after the \$247m. earned on revenues of \$532m. during 1977.

The company's to-day reported record first quarter earnings of \$54.9m, or 69 cents per share diluted, compared with \$43.5m. or 61 cents per share on a fully diluted basis for the same year-ago period.

Improved earnings for 11 of its operating subsidiaries, according to the company, more than offset the slump in earnings caused by weak prime-time ratings in the television season now ending.

RCA said "NRC is still profitable," and the company is optimistic for its long-term future, "after its new management takes hold."

RCA heads for further record year

NEW YORK, April 12. **TURNING IN** record first quarter earnings, RCA Corporation says it expects 1978 to be another peak year after the \$247m. earned on revenues of \$532m. during 1977.

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Major banks report first quarter profit well ahead

BY STEWART FLEMING

Morgan and First National Bank of New York have both reported sharp increases in first quarter earnings. The improvement in the profits of J. P. Morgan are particularly significant since they follow a sluggish year's growth in 1977 when net income rose by just under 8 per cent for the year and only 1.5 per cent for the first quarter.

J. P. Morgan's earnings for the first quarter of 1978 after deducting securities losses of \$1.3m. were \$59.3m., an increase of 18.1 per cent. compared with the \$50.2m. earned last year after a \$2m. securities gain. Income per share for the first quarter is \$1.46 compared with \$1.24 in the same period of last year.

Commenting on the reasons underlying the improved performance, the bank said that net interest earnings increased from \$180.2m. to \$188.9m. reflecting a higher volume of interest-earning assets (\$25.1bn. against \$23.0bn.). Larger holdings of tax-exempt securities, interest-bearing deposits at banks and loans at foreign offices accounted for the major portion of the increased volume.

In terms of non-interest income, the bank reported a very sharp rise from \$22m. to \$71m. Foreign exchange trading income which comes in this category, increased from \$6.8m. to \$12.4m. and there was a \$7m. increase in other operating income, reflecting in particular fees and commissions earned in foreign offices.

The bank reduced slightly its quarterly provision for loan losses—from \$12.9m. to \$10.9m.—but charge-offs were also down, from \$12.3m. in the first quarter of last year to \$7.2m. in the latest period.

Meanwhile First National Bank of New York reports first quarter operating net ahead by over 90 per cent, at \$1.18 per share against 77 cents for the same 1977 period. Before securities transactions, income was \$14.4m., sharply up on the \$9.3m. comparative figure.

Securities losses in the 1978 quarter came to \$54,000, bringing the final net to \$14.3m. or \$1.17 a share. This was a turnaround from the same period in the previous year when securities gains added \$124,000 to the operating net and 1 cent to the per share figure.

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New products boost Burroughs

FIRST quarter results from Burroughs Corporation disclose an improvement in the rate of earnings progress compared with both the final quarter and the whole of fiscal 1977.

The first quarter of 1978 has returned net earnings increased by 18 per cent, over the comparable period to \$33.5m., or 83 cents a share against 70 cents. Revenue rose by 14 per cent to \$395m.

Mr. Paul S. Mirabito, the chairman, said that the increase in orders in the first quarter "reflected a continuation of the good order levels recorded in the last three quarters of 1977."

He also said that worldwide backlog had increased by 10 per cent since the beginning of this year.

New products, in particular the expansion of Burroughs 800 series, contributed significantly to the gain in sales during the final quarter of last year. To-day's figures show that, while the rate of increase in sales has remained the same in the first quarter of this year, earnings are pulling away from the 15 per cent. gain reported in last year's final three months.

For the whole of fiscal 1977, earnings showed a 16 per cent. gain, to \$215m. on sales increased by 12 per cent. to \$2,13bn.

DETROIT, April 12. **Harris Bancorp** First quarter net operating profits of Harris Bancorp, the bank holding company, edged up from \$6.2m. or 98 cents a share, reports AP-DJ. After securities transactions, net earnings were \$5.6m. or 83 cents, against \$6.3m. or 99 cents.

Levi Strauss suit

Levi Strauss has been advised by the California Attorney General that the state is preparing a suit for damages against Levi Strauss for alleged violations of California anti-trust law, reports AP-DJ from San Francisco. Levi Strauss believes the basis for the suit would be the company's pricing practices in California during the 1972-75 period.

Hongkong-Midland

Independent investor Mr. Anthony Robert Martin-Trigona claims he will file a petition of denial with New York State Banking Commission once Hongkong and Shanghai Banking Corporation applies for approval of its planned takeover of majority control in Marine Midland Bank, reports Reuter from New York. Both banks declined comment.

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Bendix looks for full year advance

BENDIX Corporation expects revenue and earnings for its second quarter ended March 31 will "surpass" the record results of the same period last year. Mr. William M. Agee, chairman and president said. The chairman did not suggest specific figures.

In the year earlier second quarter, Bendix reported net income of \$29.9m. or \$1.34 a share on revenue of \$336.3m.

Bendix second quarter earnings might not exceed last year's record results because of severe weather in the mid-west and north-east which had forced the company to close for varying periods "more than a dozen" plants.

Mr. Agee said that Bendix continues to predict record revenue and earnings for the fiscal year ending September 30.

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AMERICAN QUARTERLIES

| BANCAL TRI-STATE | | | COLT INDUSTRIES | | | HOST INTERNATIONAL | | |
|------------------|-------|-------|-----------------|---------|---------|--------------------|--------|--------|
| First Quarter | 1978 | 1977 | First Quarter | 1978 | 1977 | First Quarter | 1978 | 1977 |
| Revenue | 3.9m. | 1.3m. | Revenue | 421.0m. | 358.0m. | Revenue | 70.9m. | 57.5m. |
| Net profits | 3.9m. | 1.3m. | Net profits | 16.0m. | 11.0m. | Net profits | 2.7m. | 1.8m. |
| Net per share | 1.09 | 0.03 | Net per share | 1.68 | 1.17 | Net per share | 0.49 | 0.32 |

| BAXTER TRAVENOL LABS. | | | GANNETT CORPORATION | | | HYATT CORP. | | |
|-----------------------|---------|---------|---------------------|---------|---------|---------------|--------|--------|
| First Quarter | 1978 | 1977 | First Quarter | 1978 | 1977 | First Quarter | 1978 | 1977 |
| Revenue | 228.0m. | 195.0m. | Revenue | 145.5m. | 118.6m. | Revenue | 4.2m. | 3.1m. |
| Net profits | 21.0m. | 17.0m. | Net profits | 15.2m. | 12.4m. | Net profits | *2.0m. | *1.0m. |
| Net per share | 0.62 | 0.51 | Net per share | 0.57 | 0.47 | Net per share | 0.25 | 0.12 |

| CELANESE CORP. | | | GT. WESTERN FINANCIAL | | | Kaiser ALUM. & CHEM. | | |
|----------------|---------|---------|-----------------------|--------|--------|----------------------|---------|---------|
| First Quarter | 1978 | 1977 | First Quarter | 1978 | 1977 | First Quarter | 1978 | 1977 |
| Revenue | 607.0m. | 546.0m. | Revenue | 20.9m. | 16.3m. | Revenue | 548.3m. | 523.5m. |
| Net profits | 19.0m. | 11.0m. | Net profits | 1.40 | 1.10 | Net profits | 24.3m. | 23.9m. |
| Net per share | 1.25 | 0.74 | Net per share | 1.40 | 1.10 | Net per share | 1.20 | 1.18 |

| CERTAINTED | | | HILTON HOTELS | | | U.S. TRUST OF N.Y. | | |
|---------------|---------|---------|---------------|---------|--------|--------------------|--------|--------|
| First Quarter | 1978 | 1977 | First Quarter | 1978 | 1977 | First Quarter | 1978 | 1977 |
| Revenue | 203.0m. | 160.0m. | Revenue | 100.5m. | 89.5m. | Revenue | 1.96m. | 1.87m. |
| Net profits | 15.0m. | 8.0m. | Net profits | 12.7m. | 9.5m. | Net profits | 0.65 | 0.62 |
| Net per share | 0.94 | 0.53 | Net per share | 1.00 | 0.66 | Net per share | 0.65 | 0.62 |

EUROBONDS

Floating rate notes remain firm

BY FRANCIS GHILES

he dollar market remained quiet yesterday with investors generally reporting little change. The floating rate note market on the other hand continued to show the recent rise in the market being quoted either in par.

The sterling sector was weaker yesterday with some names "Anstalt" and the amount of the bond is DM100m. The indicated coupon 6 1/2 per cent, and the maturity ten years with an average life of nine years. The bonds are expected to be priced at par.

Meanwhile Bayerische Vereinsbank is arranging a DM40m. convertible bond for Sankyo Electric. Maturity will be eight years and the coupon is expected to be 4 per cent. The Ministry of Finance in Tokyo is understood to be insisting that the conversion premium be fixed higher than 10 per cent.

The KD7m. for Banco Nacional de Omas y Servicios Publicos of Mexico was priced at par. Other conditions include a coupon of 8 1/2 per cent and a 12 year maturity. The bond has been arranged by Kuwait International Investment Company.

In its annual report published yesterday the Luxembourg based Eurobond clearing system Cedel writes that the Eurobond market set a new record last year with a volume of new paper issued at over \$15bn., a 24 per cent. increase on the 1976 figure. The diversification of currencies in which bonds were denominated was one of the salient features of the year, the other one being the expansion of the Deutsche mark issue which increased its share of the market to 27.5 per cent.

MONROE, April 12. **At January 28, 1978,** Howard had 2.5m. shares of common stock and 124,513 shares of convertible dividend Preference stock outstanding.

Meanwhile, Tyco Laboratories said in a schedule 13-D filed with the SEC that it has purchased a total of \$89,300 Cutler-Hammer shares, or about 15 per cent. of the equity, for \$32.9m.

Tyco said that as late as yesterday it had bought 117,800 Cutler-Hammer shares in open market transactions at prices ranging from \$42 to \$39 a share.

Agencies

Brazil seeks steel mill loan

TOKYO, April 12. **BRAZIL'S** Companhia Siderurgica de Tubarao plans to borrow from Japan and other countries about \$700m. in a syndicated loan to build a steel making plant at Tubarao, southern Brazil, according to Japanese banking sources.

Sr. Arthur Carlos Gerhardt Santos, the company's president, and other representatives are in Tokyo for negotiations with Japanese banks, including Bank of Tokyo and Long-Term Credit Bank of Japan, which are expected to form an international syndicate for the loan, the sources said.

Reuter

Bank of Montreal

Established 1817
Dividend No. 478

Notice is hereby given that a dividend of twenty-six and one half cents per share on the paid up capital of this institution has been declared for the current quarter payable 30th May, 1978 to share holders of record, as at the close of business 28th April, 1978.

Shares not fully paid for by 28th April will rank for the purpose of the said dividend to the extent of the payments made on the said shares on or before that date.

By order of the Board
R. Muir,
Vice-President and Secretary.

Textron plans market buying

PROVIDENCE, April 12. **TEXTRON** plans to buy up 266,834 shares of Allied Chemical common from time to time on the open market.

The shares will replace those which Solvay et Cie has elected not to sell to Textron in the 1978 first quarterly instalment of the previously reported agreement between Textron and Solvay.

AP-DJ

U.S. \$30,000,000

Union Oil Company of California

Notes due 1986

Warburg Paribas Becker Incorporated

In conjunction with
S. G. Warburg & Co. Ltd.

Kowloon Electricity Supply Company Limited

US \$390,000,000

Medium Term Loan

to provide finance for contracts between

Kowloon Electricity Supply Company Limited
and
GEC Turbine Generators Limited

and other U.K. suppliers for the supply of capital goods and associated services in relation to a new 700 MW power station at Tap Shek Kok in Hong Kong and up to 300 MW of gas turbines

with the payment and funding guarantee of

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- Standard Chartered Bank Limited
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- Citibank N.A.
- Morgan Guaranty Trust Company of New York
- Barclays Bank International Limited
- Lloyds Bank International Limited
- Midland Bank Limited
- International Westminster Bank Limited
- Bank of America N.T. & S.A.
- Bankers Trust Company
- Chemical Bank
- Continental Illinois National Bank and Trust Company of Chicago
- The First National Bank of Chicago
- Irving Trust Company
- Manufacturers Hanover Trust Company
- J. Henry Schroder Wagg & Co. Limited

Agent Bank

J. Henry Schroder Wagg & Co. Limited

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Philips sees maintained growth in sales volume

BY CHARLES BATCHELOR

EINDHOVEN, April 12.

PHILIPS, the Dutch-based international electrical group, expects volume sales to increase by about 7 per cent this year — the same rate as in 1977. However the fall in the value of many currencies against the guilder is expected to lead to a lower rate of increase in sales by value — which rose only 2 per cent, to Fls.31.16bn. last year.

Cost increases, pressure on sales prices and inadequate use of capacity mean it will be a "great challenge" to achieve any substantial improvement of profitability in 1978. Profitability, measured as after-tax profit as a percentage of sales, was unchanged 2.2 per cent in 1977.

Philips sells in 64 countries. The increase in demand in the industrialised world is expected to be insufficient to allow industry to make adequate use of capacity.

The company expects sales of electronic and electrical consumer goods to make the largest contribution to growth this year. This division, which includes television and radios and audio and video recorders, achieved only 1 per cent sales growth in 1977 while trading profit as a percentage of deliveries rose to 9.6 per cent from 5.9 per cent. Sales of consumer goods rose to Fls.3.1bn., equal to about 10 per cent of group sales. Profitability was highest this year as last. With sales of in the domestic appliances

Fls.9.6bn., this division was the largest in the group accounting for nearly a third of total turnover.

Investment spending in 1978 will be higher than the Fls.1.57bn. in 1977. It will be roughly equal to depreciation.

Philips expects to reduce its workforce again in 1978. It employs 358,900 worldwide including 84,900 in Holland — making it the largest Dutch private employer. The workforce declined in Europe, Africa and Latin America last year. The net loss was 7,700 jobs.

Philips has extended the scope of its annual report to give a more detailed breakdown of product sectors, of the geographical distribution of its business and of its largest participations. The new President of the Managing Board, Dr. Nico Rodenburg, indicated that Philips was conforming with the wishes of international bodies such as the OECD.

The breakdown by sector shows the lighting and batteries division with the greatest rate of increase over the year before. Trading profit as a percentage of deliveries rose to 9.6 per cent from 5.9 per cent. Sales of consumer goods rose to Fls.3.1bn., equal to about 10 per cent of group sales. Profitability was highest this year as last. With sales of in the domestic appliances

Conti-Gummi holds out hopes of early dividend resumption

BY GUY HAWTHIN

FRANKFURT, April 12.

A MAJOR recovery in profits in 1977 is announced by Continental Gummi-Werke, the largest tyre manufacturer in West Germany. The company also held out hopes to-day for a return to dividend payments in the current year.

Group profits rose by DM10.3m. to DM25.7m. (\$12.8m.). This, together with some DM55.5m., will be used to cancel out the losses of DM58.2m. (\$44m.) accumulated in the three years from 1972 to 1974.

There are also hopes that 1978 will see an end to the run of six dividendless years. The report said that the dip into reserves and the improved 1977 profits laid the basis for a possible profits distribution if the concern managed to continue operating at a profit throughout the year.

Overall turnover rose by 5.5 per cent, to about DM1.5bn. in 1977. Sales are expected to grow at about the same level this year.

The West German tyre market has proved a magnet for imported products and virtually all of the big tyre producers have had serious trouble. More than half the replacement tyres sold in the Federal Republic are now imported and the importers are also making inroads into the industry's most important market — the motor manufacturers themselves.

Deutsche Bank operating profits increase by 23%

BY OUR OWN CORRESPONDENT FRANKFURT, April 12.

DEUTSCHE BANK, West Germany's largest commercial bank, has reported 1977 operating profits up 23.4 per cent in contrast to 1976's 12.3 per cent decline. Net earnings rose only slightly after increased tax stemming from corporation tax reform.

F. Wilhelm Christians, joint spokesman for the executive Board, said that 1978 was also expected to be a successful one. In the first quarter of the year, there had been, as always, a decline in the bank's balance sheet total, but the drop of DM1.3bn. was much smaller than usual.

Operating profits in the first two months of the year had shown a similar pattern to 1977, he said. Although interest margins had been squeezed to 2.44 per cent, profits from the bank's trading in its own account had been "noticeably good".

According to Herr Christians, the decisive factor in last year's performance was the 15.5 per cent average increase in business volume throughout the year. By the year's end it was up 18.1 per cent or DM10.8bn. or DM7.7bn. in contrast with 1977, interest

Why Mr. Healey turned to New York for funds

BY WILLIAM HALL

IT IS easy to dismiss the British Government's decision to tap the New York foreign bond market as a fairly harmless publicity gimmick. It is always nice to have a Triple A rating — it makes a useful international status symbol.

However, although the \$350m. issue is peanuts in relation to the UK's total foreign borrowings of close to \$20bn., the move makes a lot of sense. By going through the lengthy procedure of being vetted by the New York rating agencies, the U.K. Government has won itself an entrée to the largest capital market in the world.

At the moment there might be slightly cheaper sources of government money in the Eurobond market but the big attraction of the U.S. market is that it does not suffer the same sort of hiccup as the latter — the money is always available. In addition, it is possible to raise longer term money. Whereas Eurobond investors do not like investing for much over 12 years the U.S. bond market can provide funds for up to 25 years. Consequently, the British Government has much more scope for extending the maturity pattern of its borrowings in New York.

The other obvious advantage about the New York foreign bond market is that it is normally cheaper. A Triple A domestic borrower could expect to raise seven-year money at 8.35 per cent at the moment, which compares with yields on U.K. gilt-edged stocks, of an equivalent maturity, of over 10 per cent. Meanwhile, the gap between the cost of 15-year money in the U.S. and the U.K. is over three percentage points currently.

Finally, in terms of fees and commissions, tapping the New York foreign bond market is a considerably cheaper exercise than in the Eurobond market. As a rule of thumb a borrower in the U.S. expects to pay total fees (management, selling commission, underwriting etc.) of about 0.65 per cent for seven-year money against 2.1 per cent in the Eurobond market.

Apart from the Canadians and various international agencies

| FOREIGN BONDS ISSUES IN THE U.S. 1970 to 1977 \$bn. | | |
|---|-------|-------|
| Canada | Other | Total |
| 0.9 | 0.3 | 1.2 |
| 0.4 | 0.5 | 1.1 |
| 1.0 | 0.3 | 1.3 |
| 0.9 | 0.1 | 1.0 |
| 2.0 | 1.3 | 3.3 |
| 3.1 | 3.4 | 6.5 |
| 6.2 | 4.4 | 10.6 |
| 2.9 | 4.3 | 7.3 |

Source: Morgan Guaranty Trust Co.

cribe all foreign bond issues in New York but it is more generally used to describe only those issues which used to be subject to the Interest Equalisation Tax. This means that the big Canadian borrowers are left out of calculations of the size of the Yankee bond market. Nevertheless, using this strict definition, the amounts raised are still significant, and are probably running at around \$2.5bn. annually.

So far the lion's share of all issues have either been for sovereign governments or government-owned agencies and virtually all of them have had Triple A ratings. France has been a heavy borrower, particularly the various state agencies such as Electricité de France and Caisse Nationale de Télécommunications. In addition, the governments of Norway, Australia, Finland, New Zealand, Sweden and Venezuela have come to the market. Only two countries — Mexico and Brazil — have not been rated by the

Spain plans \$3bn. borrowing

BY FRANCIS GHILES, RECENTLY IN MADRID

PUBLIC and private Spanish borrowers will have to limit the amount of money they raise in the international capital markets this year to \$3.1bn. which is about \$1bn. more than in 1977. By the end of the year Spain's gross debt should stand at \$15.3bn., with public borrowers maintaining their proportion of the funding at 59 per cent.

Repayment of the debt contracted so far imposes a heavy burden on the country for some years to come: 13.5 per cent of the debt has to be repaid this year, 13.5 per cent next year, 20 per cent in 1980, a percentage which will decrease in the two following years but rise again, sharply, to 28 per cent in 1983.

These figures were given by Sr. Toribio, director general of Financial Policy at the Ministry of Economic Affairs at a two day conference, the second of its kind organised by Banca Mas Sarda in Madrid and devoted to international financing.

Sr. Toribio also stressed that Spain was in the process of diversifying the sources of its financing: it had already raised loans denominated in Yen in Japan and is known to be considering approaching the New York market. However, a rating

has not yet been given by the leading U.S. agencies.

The Director General also said that a reappraisal of the country's foreign debt policy had been initiated after the elections held in June last year when it became clear that Spain could not go on accumulating debts at any price and on any conditions as if borrowing abroad amounted to no more than a marginal factor in the management of the economy. It seemed illogical to test the limits of Spain's solvency. A coherent strategy was needed and Sr. Toribio outlined his view of what it should be.

The balance of payments should not show a deficit although a deficit on the current account was permissible. The flow of foreign investment should suffice to cover this deficit and interest payments on the debt contracted so far. Borrowing on world capital markets would be used to refinance the existing debt on the best terms available.

In the past nine months, Spain's reserves have nearly doubled: they stood at \$7bn. at the end of March. Interestingly, Sr. Toribio did not refer to the loans currently going on between various ministries and was to go before it can agree among itself on a clear economic strategy.

While this conference provided valuable indications about some of the thinking going on in the higher reaches of the Spanish administration, it also suggested that the government has some way to go before it can agree among itself on a clear economic strategy.

Interest in \$ Eurobonds picks up

DUSSELDORF, April 12.

INTERNATIONAL interest in dollar Eurobonds investment appears to be reawakening as a result of the widening of the gap between U.S. and German interest rates and the feeling that the dollar may recover against the Deutschmark. Westdeutsche Landesbank Girozentrale Management Board vice chairman, Walter Seipp said.

There had been some movement by central banks into deposits over the period of dollar weakness, but he had detected no large scale movement recently of official holdings from dollars into marks.

Some recent medium term deals had been completed at spreads over Libor as little as 1 per cent, but Westdeutsche in principle was not prepared to sign on loans at under 1 per cent.

Nedam independence bid

BY OUR OWN CORRESPONDENT AMSTERDAM, April 12.

BALLAST-NEDAM, the construction group, has announced plans to issue a block of preference shares in order to regain control of the company from Dutch businessman who recently acquired a substantial holding.

It will place most of the new shares with a Foundation especially set up to guarantee the company's independence. Ballast, which is the third largest Dutch company in its sector, learned in February that Mr. Pieter Heerema, a businessman with world-wide engineering and offshore interests, had bought about 50 per cent of its capital. Mr. Heerema, who a few days before announced the surprise acquisition of a 40 per cent holding in the second largest

Earnings down at Sulzer

By John Wicks

ZURICH, April 12.

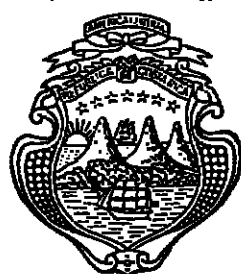
PROFITS of the Swiss engineering concern Sulzer Brothers, Winterthur, fell last year from Sw.Frs.47.2m. to Sw.Frs.42.2m. The Board is to recommend payment of an unchanged dividend of Sw.Frs.1.40 per share (Sw.Frs.1.00 nominal value) and Sw.Frs.1.4 per share of Sw.Frs.1.00 nominal value and participating certificate.

Group turnover of the Sulzer concern remained almost unchanged last year at Sw.Frs.3.3bn. (Sw.Frs.3.33bn.), while consolidated orders received fell slightly from Sw.Frs.3.46bn. to Sw.Frs.3.39bn.

New Issue

All of the Notes having been sold, this announcement appears as a matter of record only

23rd March, 1978



The Republic of Costa Rica

US\$ 20,000,000

Floating Rate Notes 1985

Banque Nationale de Paris

Citicorp International Group

Credit Suisse White Weld Limited

First Boston (Europe) Limited

Merrill Lynch International & Co.

Westdeutsche Landesbank Girozentrale

Alhail Bank of Kuwait (K.S.C.)

Algemeene Bank Nederland N.V.

Amex Bank Limited

The Arab and Morgan Grenfell Finance Company Limited

Banca Commerciale Italiana

Banca Nazionale del Lavoro

Banco Santander Finance, Genève

Banco Urquijo-Hispano Americano Limited

Banco de Vizcaya

Bank of Helsinki Ltd.

Bankers Trust International Limited

Banque Bruxelles Lambert S.A.

Banque Française du Commerce Extérieur

Banque de l'Indochine et de Suez

Banque Internationale à Luxembourg S.A.

Banque Internationale pour l'Afrique Occidentale (BIAO)

Banque de Paris et des Pays-Bas

Banque Populaire Suisse S.A. Luxembourg

Banque Rothschild

Banque de la Société Financière Européenne

Banque Worms

Baring Brothers & Co. Limited

Bayerische Vereinsbank

Berliner Handels- und Frankfurter Bank

Caisse Centrale des Banques Populaires

Centrale Rabobank

Christiansen Bank og Kreditkasse

Continental Illinois Limited

County Bank Limited

Crédit Commercial de France

Crédit Lyonnais

Credithanstalt-Bankverein

Daiva Securities Europe N.V. International

DBS-Daiva Securities International Limited

Dean Witter-Reynolds

Den Norske Creditbank

Dillon Read Overseas Corporation

Dresdner Bank Aktiengesellschaft

E. F. Hutton & Co. N.V.

Euro-Latinamerican Bank Ltd.

European Banking Company Limited

First Chicago Limited

Hill Samuel & Co. Limited

IBJ International Limited

International Mexican Bank Limited

Kleinwort, Benson Limited

Kjøbenhavn Handelsbank

Kreditbank N.V.

Kreditbank S.A. Luxembourg

Kreditbank S.A. Luxembourg

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)

Kuwait International Finance Co. S.A.K.

Kuwait International Investment Co. S.A.K.

Kuwait International Finance Co. S.A.K.

Lazard Brothers & Co. Ltd.

Lloyds Bank International Limited

Lloyds Bank International Limited

Loeb Rhoades, Hornblower International Limited

Manufacturers Hanover Limited

Samuel Montagu & Co. Limited

Morgan Grenfell & Co. Limited

Morgan Stanley International Limited

National Bank of Abu Dhabi

National Bank of Abu Dhabi

National Bank of Kuwait S.A.K.

New Japan Securities Europe Limited

The Nikko Securities Co. (Europe) Ltd.

The Nikko Securities Co. (Europe) Ltd.

Nippon European Bank S.A.

Nomura Europe N.V.

Oesterreichische Länderbank

Orion Bank Limited

Pan Asian Finance Limited

J. Henry Schroder Wagg & Co. Limited

Skandinaviska Faskilda Banken

Skandinaviska Faskilda Banken

Smith Barney, Harris Upham & Co. Inc.

Société Générale Barclays (Overseas) Ltd.

Société Générale

Société Générale

Société Générale de Banque S.A.

Sumitomo Finance International

Svenska Handelsbanken

Svenska Handelsbanken

Swiss Bank Corporation (Overseas) Limited

Taiyo Kobe Finance Hong Kong Limited

Trade Development Bank, London Branch

Trade Development Bank, London Branch

Union Bank of Finland Ltd.

United International Bank Ltd.

J. Vontobel & Co.

S. G. Warburg & Co. Ltd.

Wobaco Investments Limited

Wood Gundy Limited

Yamaichi International (Nederland) N.V.

Yamaichi International (Nederland) N.V.

This announcement appears as a matter of record only.

\$50,000,000

Twentieth Century-Fox Film Corporation

10 1/4% Subordinated Debentures due 1998

Bache Halsey Stuart Shields

Lehman Brothers Kuhn Loeb

Incorporated

Drexel Burnham Lambert

The First Boston Corporation

Goldman, Sachs & Co.

Kidder, Peabody & Co.

Lazard Frères & Co.

Loeb Rhoades, Hornblower & Co.

Merrill Lynch, Pierce, Fenner & Smith

Paine, Webber, Jackson & Curtis

Incorporated

Salomon Brothers

Smith Barney, Harris Upham & Co.

Warburg Paribas Becker

Wertheim & Co. Inc.

White, Weld & Co.

Incorporated

Bear, Stearns & Co.

Dean Witter Reynolds Inc.

L. F. Rothschild, Unterberg, Towbin

New Court Securities Corporation

ABD Securities Corporation

Atlantic Capital

Shearson Hayden Stone Inc.

Basle Securities Corporation

EuroPartners Securities Corporation

Banca Commerciale Italiana

Scandinavian Securities Corporation

SoGen-Swiss International Corporation

Robert Fleming

Incorporated

Wood Gundy

Incorporated

McLeod, Young, Weir,

Incorporated

April 13, 1978

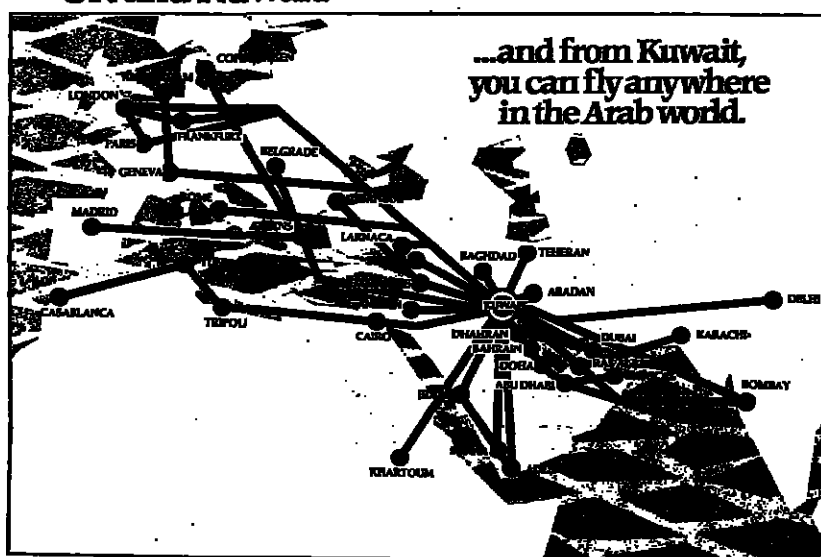
مكاتب التمويل

Kuwait Airways really mean business in '78

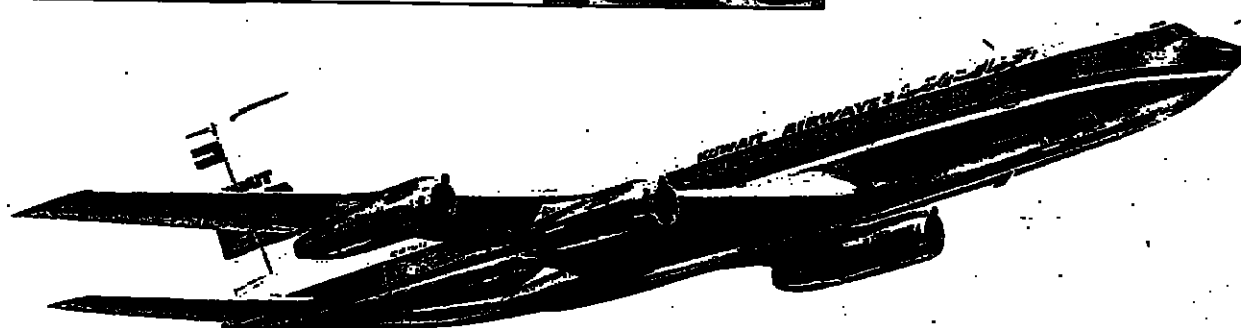
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firsts. As the national airline in the country that
is the financial centre of the Arab world, we
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in the Arab world.



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Airways—we get it there first.
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gives your cargo priority. We're
there to see that it's unloaded
on the day of arrival, and
cleared through customs
fast. Special handling all the
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promise.

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developments in the pipeline
for the near future.
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Jumbo with exclusive interior
styling—the first businessman's
Jumbo! And the opening of the
new Kuwait Terminal, will make
airport formalities as smooth,
and as efficient, as your flight.
So check with your travel agent
and keep pace with Kuwait
Airways—the airline that keeps
pace with business.



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arrive on time.
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outstanding. Our Boeings
depart daily at a businessman's
hour! They leave on time,
because they're ready and
waiting overnight. They arrive
on time, at an equally business-
like hour.

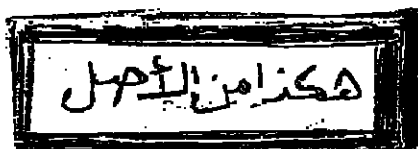
| SUMMER SCHEDULE | | |
|-----------------|---------------------|---------------|
| | DEPART LONDON | ARRIVE KUWAIT |
| MONDAY | 12:15 VIA PARIS | 22:05 |
| TUESDAY | 12:15 VIA PARIS | 22:05 |
| WEDNESDAY | 12:15 VIA FRANKFURT | 21:50 |
| THURSDAY | 12:15 VIA PARIS | 22:05 |
| FRIDAY | 12:15 VIA ROME | 22:20 |
| SATURDAY | 14:45 DIRECT | 22:45 |
| SUNDAY | 12:15 FRANKFURT | 21:50 |
| | 12:15 ROME | 22:20 |

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Triumph in Denmark

MER. JAN BONDE-NIELSEN,
chief shareholder and executive
director of the Danish Bur-
meister and Wain shipbuilding
and marine engineering group,
has just celebrated a consider-
able triumph. He has an-
nounced the merger of the ship-
yard and B and W Motor, which
is one of the world's two lead-
ing manufacturers of large
marine diesels. This brings all
B and W's interests back under
single ownership for the first
time since 1971 and re-estab-
lishes one of Denmark's oldest
and largest industrial companies
in its historic form.

The shipyard and the motor
factory were split up in 1971,
when it was feared that the
shipyard's position was so dis-
tasteful that it could cause the
bankruptcy of the whole
company.

Little progress was made in
re-establishing the fortunes of
either company until 1974,
when Mr. Bonde Nielsen bought
a controlling holding in the ship-
yard at a knock-down price. His
entry was greeted with scepti-
cism. Critics either thought he
was crazy or that he was out on
an asset-stripping exercise.

The critics, however, have
been silenced. After years of
little or no profit, and drastic-
ally declining solvency, Mr.
Bonde Nielsen re-established
group profitability and the new
company formed by the merger,
B and W Motor A/S, has equity
capital of Kr.355m. (£34.5m.)
out of total assets of Kr.1.27bn.

Bad times good

B & W officials like to make
the interesting point that in
good times B & W made no
money, but in bad times they
do. "We have not done any-
thing exceptional. We have only
put in some good solid work,"
said Mr. Bonde Nielsen. Three
aspects of this work stand out—
some quick decisions at the
start which generated profits in
the shipyard, a thoroughgoing
management reorganisation, and
a revolution in labour relations.

One of the first major deci-
sions was to cancel orders for
three tankers, enabling the
shipyard to concentrate on serial
production of bulkers. Although
the loss-making company had to
pay compensation, the move
paid off handsomely with profits
on 14 of the 60,000 dwt Panamax
bulkships.

Good liquidity arising from
advance payments on the bulk



Jan Bonde-Nielsen: "We have only put in some good solid work."

carriers enabled the shipyard
to acquire a majority share-
holding in the B & W motor
factory again and since 1975
B & W has been run as a group,
although still divided into
three companies.

The next big move took place
in late 1975 when B and W
was broken up into divisions or
profit centres. "Without the
re-organisation there is no way
in which we could have existed
to-day," said Mr. Bonde Niel-
sen. The aim of this move was
to give each division a clearly
defined task, usually focused
on a particular product.

The foundry associated with
the motor factory was closed
last year because it was making
big losses and had no prospect
of becoming profitable; but only
two of the remaining 11
divisions failed to make profits
in 1977. The diesel motor works
itself and the group's new
Hamlet Shipping Company
formed last year.

Although employment in the

Danish yard which has vol-
untarily cut back in the cur-
rent crisis. There are now only
300 building new ships out
of a total of 5,000 employ-
ees by the group. It has for
Hamlet multihull vessels in a
12,500 dwt class on order
which will provide employ-
ment to early next year. "It is im-
possible to say whether the yard
will still be there in two
three years' time, but we have
a very clear desire to keep
going," said Mr. Bonde Nielsen.
But the yard is now so strong
that the group will not suffer
financially if it has to close.

The factory making large
marine diesels has reduced
labour force from 1,200 to 400
and output from 16 to 10
motors a year, but the know-how
and the large number of com-
panies abroad making B and
W engines on licence make the
motor factory a key element
in the future B and W. It will
keep running in low gear until
demand improves.

Expanding

The group's main object
has been, and remains,
strengthen activities in which
it has been engaged for many
years by utilising technical
resources and know-how. This
means partly continuing tradi-
tional activities and partly ex-
panding into new areas, for
example the provision of diesel
engines for power generation
which a new division, B &
Contractor, is selling suc-
cessfully in the Middle East.

The group has also gone in-
to new activities, taking over
Europe's biggest container
manufacturer, I.W.T. Germany
in 1977, and Botved Boats, a
Danish motor cruiser firm, this
year. It has acquired a third
share in Consolidated Home
Industries, which is engaged
in television receiver manu-
facture and home products in
the industry in 20 countries.
B & W also has a dominant
shareholding in Mark Prodan,
an American company making
electronic geophysical equip-
ment.

Mr. Bonde Nielsen is fairly
confident about the group's
future. It will be very difficult
to improve earnings any further
at the moment (Kr.77m. after
tax on sales of Kr.1.92bn. in
1977 and Kr.82m. on sales of
Kr.2.18bn. in 1976) but he
believes that earnings will
be maintained.

Reliance Group...1977

Reliance Group, Incorporated and Subsidiaries/Financial Highlights

Year Ended December 31

| | 1977 | 1976 |
|---|-----------------|---------------|
| Revenues | \$1,156,908,000 | \$985,584,000 |
| Operating income | \$ 54,617,000 | \$ 20,135,000 |
| Net realized gain on insurance investments | 4,008,000 | 10,354,000 |
| Income before extraordinary income | 58,625,000 | 30,489,000 |
| Extraordinary income—utilization of tax loss carryovers | 23,667,000 | 4,867,000 |
| Net income | \$ 82,292,000 | \$ 35,356,000 |
| Per-share information: | | |
| Operating income | \$6.17 | \$1.75 |
| Net realized gain on insurance investments | .52 | 1.41 |
| Income before extraordinary income | 6.69 | 3.16 |
| Extraordinary income | 3.09 | .66 |
| Net income | \$9.78 | \$3.82 |
| Fully diluted net income | \$6.04 | \$3.55 |
| Average number of common and common equivalent shares outstanding | 7,679,000 | 7,362,000 |

Per-share computations are after deduction of dividend requirements on the Series C Nonconvertible Preferred Stock.

Reliance Group, Incorporated 1977 Operations

| | | | |
|---|-----------------|--|--|
| INSURANCE | | Property and Casualty Operations, International | |
| Revenues | \$1,006,359,000 | Pilot Insurance Company, Toronto | |
| Divisional Pretax | | Life and Health Operations, U.S. | |
| Operating Income | \$ 91,387,000 | Reliance Standard Life Insurance Company, Philadelphia | |
| Property and Casualty Operations, U.S. | | United Pacific Life Insurance Company, Tacoma | |
| Relevance Insurance Company, Philadelphia | | Title Operations, U.S. | |
| General Casualty Company of Wisconsin, Madison | | Commonwealth Land Title Insurance Company, Philadelphia | |
| United Pacific Insurance Company, Tacoma | | | |
| LEASING | | Computer Leasing Operations, U.S. | |
| Revenues | \$115,428,000 | Leasco Capital Equipment Corporation, New York | |
| Divisional Pretax | | Computer Leasing Operations, International | |
| Operating Income | \$ 27,232,000 | Leasco Europe Ltd., New York | |
| Container Leasing Operations, Worldwide | | | |
| CTI—Container Transport International, Inc., New York | | | |
| MANAGEMENT SERVICES | | Consulting and Software Operations, International | |
| Revenues | \$32,663,000 | Intibcon Limited, London | |
| Divisional Pretax | | Fuel & Energy Consultants Limited, London | |
| Operating Income | \$ 3,297,000 | Leasco Software Limited, Maidenhead | |
| Consulting Operations, U.S. | | Moody International, Inc., London | |
| Werner Associates, Inc., New York | | Werner International, Brussels | |
| Yankelovich, Skelly and White, Inc., New York | | | |

Last year, 1977, was one of important accomplishments for Reliance
Group. We achieved record revenues, operating income after taxes
and net income. This outlook is excellent in 1978 for further
improvement in operating income after taxes.

Paul P. Jenkins
Chairman and President
Reliance Group, Incorporated

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THE JOBS COLUMN

Badminton booster • Civil mercenaries • Accountants

BY MICHAEL DIXON

THE FORMATIVE coaching I game growing in popularity all over the world, the Badminton Association of England is expecting a large increase of open tournaments among professionals and amateurs, sponsored by commercial interests. Friends Provident is already sponsoring this week's European event, for instance, and John Player sponsors the All-England tournament.

But 1m. children and 1.5m. adults in England alone evidently think differently. "A survey we did recently suggested that at least that many now play in school halls and so on," says the 89-year-old Badminton Association of England. "And although only about 110,000 players are so far linked with us, our membership has been growing by 250 clubs a season to the present total of 4,800."

Moreover, having narrowly beaten Denmark in the team event at the European championship in Preston this week, England can claim to be among the world's best, even though our players are outshone in the individual events—the men most noticeably by Indonesians, and the women by Japanese.

There remains in badminton the famous old difference, that our players are amateurs receiving at best liberal expenses, while those of other countries tend increasingly to play professionally.

Given this trend, and with the

The association's 12-strong council under chairman Arthur Jones has apparently promised that, having engaged a professional manager to head its development, the committee will take notice of the newcomers' proposals. Brian Bisseker, who has been secretary since 1970, has agreed to support the incoming leader until his retirement soon.

"What I think would be ideal," Mr. Kingsford says, "is someone who has earned senior management rank in a big business by the age of 40-45 or so, and would now like to do something different. If need be at some loss of salary, in order to make a name individually. We shall certainly need somebody of considerable personal stature if the job's to be done properly."

Provided they are demonstrably successful business managers, Roy Kingsford adds, their precise background matters little.

"Experience in dealing with top people in overseas concerns seems important, and I suppose marketing would be a useful skill, and work that has provided a close understanding of professional sport would be a valuable advantage. But we don't want to miss the right person by carping about details."

The salary quoted is about £3,500, but I suspect that the association might go higher for an outstanding candidate. Perks

include non-contributory pension, and the base is in the London area.

Write for application form to Mr. Kingsford at Hyde Park House, 60a, Knightsbridge, London SW1X 7LE. He may be telephoned for further information on 01-235 6060.

Worker-export

MANY SHIPS sent to Russia to support the Western forces' vain intervention in the civil war of the 1920s, had Moslem crews. Ships were kept waiting in Archangel through Ramadan when Moslems must fast during daylight. But in the far northern port, it stayed daylight all the time. So numerous sailors began to starve to death.

Panic ensued until the administrators of the expedition managed to arrange with the appropriate Moslem leader for Archangel to have an "official night" during Ramadan, coinciding with the hours between sunset and sunrise in Mecca.

That incident—which shows that truly international personnel management is liable to unusual problems—came to mind this week when I met Mike Taylor, development manager of Overseas Recruitment Services. For a major recent development at ORS is the selecting, assembling and maintaining of big multi-

national workforces to build and/or staff new projects in other countries.

A subsidiary of the Alfred Marks Bureau which is now a part of the Swiss-based Adia Group, ORS is currently providing "civil mercenaries" for half a dozen projects in the oil-rich Middle East. They include three medical programmes, airport-construction, a power station, and a town-building operation.

In some cases the company takes the whole workforce—recruited with the help of Adia's 300 offices around the world—on to its own payroll for the project, and delivers, cares for and supervises them until the work is done. In other cases, ORS will recruit and undertake any or all of the other duties on behalf of the main contractor or the national agency in charge of the project.

While the territory is currently confined to the Middle East and the emphasis on construction, Mr. Taylor expects soon to become involved in providing expatriates to run new operations in their initial stages, while training indigenous staff. He expects, too, an increasing demand for similar workforces in the poorer nations of the world.

He also expects the mixed-culture aspect of the business to throw up unexpected suchlike—to join the ORS management problems as tax-

ing, if not as morbidly bizarre, as the one which overtook the fleet in Archangel. Not least is the need to ensure—as the contract normally insists—that all the civil mercenaries leave the country in question when the job is done.

"Of the people in Kuwait at present, about 55 per cent aren't Kuwaitis. So you can appreciate the keenness to have project staff leave," Mike Taylor says.

"But we set out to minimise the potential problems, at least where managerial and skilled workers are concerned, by pre-fering recruits with experience in the area, and by 'negatively interviewing' candidates to drive home to them the various awfulnesses of working there, before we or they decide whether they ought to go."

There is apparently, however, no lack of suitable recruits. "One reason is undoubtedly that a manager or specialist getting £10,000 gross in the U.K. can expect about 25 per cent more there, plus food and accommodation," Mr. Taylor adds.

Even so, like the locum management groups I wrote about last week, he is keen to hear from people willing and able—in skills connected with medicine, construction, engineering, hotels and catering, and to throw up unexpected suchlike—to join the ORS register of potential staff. Those

interested should write outline details to him at 37, Golden Square, London W1R 4AL, as a preliminary to receiving a detailed application form.

While we initially employ people only for the project in question, those that show they are good are pretty well certain to be offered something else when it's ending."

Reluctance

THE CIVIL SERVICE is back on the market for an unpaid number of qualified accountants to be based in central London with the professional accountancy group of the Ministry of Agriculture, Fisheries and Food.

But I doubt that the Civil Service Commission can be confident of filling the order. While an inordinate number of people seem to be flocking to the high job-security of the taxpayer's payroll, the Civil Service has difficulty in recruiting accountants, especially to work in London.

I doubt whether the reason can be the starting pay. The years old this year, one per cent current intake, aged 27 or more, would not expect too much and with experience in a pro-

fessional office, would be on a scale of £5,885-£6,885 soon to be raised to £6,444-£7,539 or thereabouts.

Also, the content of these jobs seems promisingly diverse. Those

includes advising on a broad range of accounting issues, making a detailed review of the accounts and other organisational and assessing requests for grants and suchlike from private sector which often for personal visits.

So the reluctance of qualified accountants to join the Service looks likely to be a threat to do with promotion.

In business concerns, very few who join them act do reach top management. Youngish accountants do have a relatively good chance of doing so, but only if they are in a controlling position.

In the Civil Service, candidates for the present could expect £3,000 or more, but the chance of getting the same in the private sector is not so good.

Things may change, of course, as the Civil Service has difficulty in recruiting accountants, especially to work in London.

Application forms from the Commission at Alton, L. Basingstoke, Hants. RG21 1J, telephone Basingstoke 688.

Quote reference G(AA) Lists close May 4.

CAP-CPP is a leading British owned computer consultancy employing over 700 staff in the U.K. Since 1962 we have been providing technical advice to management of client companies in many areas of industry and commerce.

MANAGEMENT CONSULTANTS

Computer Applications
£7500+bonus London based

Our Management Consultancy branch provides advice to management on all aspects of computing. This work includes organisational reviews, evolving computing policies at the strategic and tactical level, determining key applications, producing systems development plans, undertaking equipment selection and many other areas of computing requiring direct management involvement.

Our consultants must be able to successfully combine appreciable knowledge of computing applications, involving systems analysis, design and implementation experience, with the ability to communicate lucidly and effectively with management at all levels. Aged between 28-35 years, male or female, successful candidates must have had at least 5 years' DF experience, and will be educated to degree level or have acquired a professional qualification.

Company benefits include a bonus, London Allowance and relocation assistance. For more information write with brief details to:

A. W. Knott,
Computer Analysts and
Programmers (UK) Limited,
CAP House, 14/15 Great James Street,
London, WC1N 3DY.
Telephone: 01-242 0021

Young Banking Executive

Looking for more recognition, responsibility and rewards.

Honeywell I.S. Limited, who operate Britain's fastest growing commercial computer time-sharing service, have vacancies for men and women with a sound background and knowledge of International, Corporate and other areas of banking to assist further expansion of its operations within the banking community. With the MARK III Network Information Service, Honeywell have already made considerable inroads into the banking world and is now a worldwide leader in the provision of this type of management information system.

As a consultant in our Financial Branch, you will have responsibility for marketing and selling the MARK III Service to City bankers. Application areas from which you could be expected to contribute from your background might include:

- Foreign Exchange Systems, Syndicated Loans, Euroloans, Branch Accounting for foreign banks in London, Investment Analysis, Loan Appraisal, Spreading and Forward Planning, etc.

You will have to demonstrate the ability to develop a thorough understanding of how the MARK III service can be applied to these and other functional areas of banking, you will be a graduate or of equivalent standard, in your late 20's already in banking but anxious to broaden your experience and career prospects in this way. Honeywell I.S. Ltd. is about to make a concentrated effort to further expand its operations into the banking world in parallel with their associate companies in other countries, and this is an ideal opportunity to make your mark with the market leader.

Salary will reflect your experience and the contribution you will make. A Company car is provided, in addition to the benefits attached to working for a major international company. If you feel you have the banking or financial expertise needed to make a success of this job, we would like to have a preliminary, informal meeting in confidence.

Ring Russel Murray on 01-242 9011 ext 255 or 275 and give brief details of yourself. We will then arrange a suitable time and date for interview. Alternatively, write with brief resume of your career to date indicating why you think you are suitable for this post to him at Honeywell I.S. Ltd., Network Information Services Division, 114-118 Southampton Row, London WC1B 5AB.

MARK III is a registered service mark of General Electric Company U.S.A.

Thomas Cook

Chief Accountant

Thomas Cook Bankers Ltd.

Not less than £12,500

The travellers cheque and foreign money note activities of the Thomas Cook Group—a subsidiary of the Midland Bank—represent the prime responsibilities of Thomas Cook Bankers Limited. Turnover is substantial and increasing, and gives rise to a need to appoint a Chief Accountant (Bankers). The person appointed will be responsible to a Main Group Board Director controlling the group finance division and will be located at the Group's new international headquarters in Peterborough.

This appointment provides a challenging opportunity and demands a vigorous and resourceful fully-qualified accountant having potential for further career development.

Aged between 30 and 40, the ideal candidate would be a graduate and would have several years' experience in a senior accounting position in industry or commerce.

Responsibilities are broad and varied as the business operates on a worldwide basis. In addition to leading and controlling the division's accounting services involving a staff of some 140 in the United Kingdom, there is a functional responsibility for accounting units in New York, Paris, Melbourne and other overseas locations.

The successful candidate will need to have an international perspective and be prepared to travel as occasion demands.

Salary is negotiable—we would expect to meet the financial expectations of outstanding candidates.

Applicants, male or female, should write, with curriculum vitae to:

R. Woodford,
Group Personnel Director,
The Thomas Cook Group Limited,
P.O. Box 36,
Peterborough, PE3 6SB.

Senior Accountant

Malawi K12,000-15,000 + 25% tax free gratuity

A new capital city has been established at Lilongwe to be in the centre of this attractive and stable country.

The Corporation, which is responsible for this spectacular development, is also responsible for the raising of finance and initially managing many current large capital projects including the international hotel and airport.

The accounting function for this development and project work is run by a small team of qualified staff of which this appointment is a part. The job requires candidates who can show technical competence, and the ability to innovate and educate in a fast developing country.

The renewable three year contract carries an annual salary of 12,000-15,000 kwacha. There is also a tax free gratuity of 25% of salary, generous local and terminal leave, free housing, free medical aid and educational and other benefits.

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications. Please write to A. C. Crompton quoting ref. 689/FT on both envelope and letter.

INSTITUTIONAL EQUITY SALES

Kemp-Gee & Co. require an additional person to join one of their established equity teams servicing important U.K. and Continental institutions.

Applicants must have had a minimum of three years' experience either as a broker handling institutional accounts or as a fund manager.

We are a research orientated firm, and the ability both to understand and to sell the research department's work to senior fund managers is essential.

A working knowledge of either French or German would be helpful.

Remuneration for this important appointment will be fully competitive.

Please reply in confidence to:
Senior Institutional Sales Partner
KEMP-GE & CO.
20 Copthall Avenue, London EC2R 7JS

Deloitte, Haskins & Sells, Management Consultants,
P.O. Box 207, 128 Queen Victoria Street, London EC4P 4JX.

INVESTMENT ANALYST

up to £7,000 25-30

Our client, an insurance company with an international reputation, will shortly appoint a senior investment analyst. His/her main responsibilities will include:

- Management of a small team of investment analysts
- By means of research, identifying opportunities for potential investment
- Visiting companies with a view to investment
- Assisting fund management in formulating investment policy
- Liaising with stockbrokers on research material for analytical purposes.

The ideal candidate, probably a graduate, will now be working with either a stockbroking firm or another institution where he/she will have gained a first class background and a proven record in the analytical field. Our clients are looking for a general analyst to cover a wide range of sectors which will include the fixed interest area as well as the equity market.

Please apply to:
J. R. V. Coutts or Sir Timothy Moore,
7, Wine Office Court,
London EC4A 3BY
01-353 1858

Career plan

Financial Controller

CITY c. £11,000

A major London firm of Stockbrokers with overseas subsidiaries requires a financial controller.

This is a key position and responsibility will be to the Board for the efficient operation of the financial and accounting functions of the group. The aims will be to increase efficiency and to provide management data.

Candidates must show an ability to contribute in practical terms to the group's profitability and demonstrate their capability of dealing at the very highest levels within the group.

Applicants (male or female) should be qualified accountants, aged 30-45, Stock Exchange experience preferred.

Apply Box No. 289, Streets Financial Limited,
62 Wilson Street, London, EC2.

Examine your career for the Q. D. factor

Q. D. stands for Quiet Desperation, the nagging conviction that all is not well... lack of job satisfaction... insufficient progress... disharmony. Or all three.

Our experience in working with executive and professional people shows that Q. D. can be overcome.

For an assessment (without cost or obligation) of how we can help you, phone or write today for a meeting with one of our Professional Career Advisers.

FREDERICK CHUSID & COMPANY LTD.
Consultants in Executive Evaluation and Career Advancement.
London: 35 Fitzroy Street, W.1. Phone 01-637 3298
Paris: 8 Rue de Berri 75008, Phone 225-31-20
We are not an Employment Agency.
Sunday Answering Service.

INVESTMENT ANALYST

An investment career opportunity with the Canada Life Assurance Company is available for a young person aged under 30. Ideally candidates will be graduates with three to four years' experience in fund management or will have other investment experience.

The successful applicant will be required to spend a period at the Company's Head Office in Toronto which will precede taking a position of responsibility with an equity bias in a small but active team at the London Chief Office.

A competitive salary will be paid together with the normal fringe benefits associated with a leading Life Office.

Please apply in writing to:
Mr. M. R. Collett, Personnel Manager,
THE CANADA LIFE ASSURANCE COMPANY,
Canada Life House,
High Street,
Potters Bar,
Herts. EN6 5BA.

STOCKBROKERS

Office Manager Required

We are a medium sized firm of stockbrokers covering all aspects of the business, but predominantly concerned with private clients. We are looking for an Office Manager with experience in all fields of administrative management. We are partly computerised and the position would suit a person who is seeking a greater challenge and career satisfaction. Salary would be competitive, with the usual fringe benefits.

Please write giving full details to Box A6317
Financial Times, 10 Cannon Street, EC4P 4BY

NOLTON MONEY BROKERS

LOCAL AUTHORITY DEALERS

Expansion has created vacancies for experienced and trained dealers. Apply in writing or ring:

E. M. I. Powell
74-75 Watling Street, London, ECA 01-248 2491

مكاتب العمل

FINANCIAL CONTROLLER

London W1

£8000 + car

One of the most rapidly growing and, for its size, profitable retail organisations in the UK, our client is opening a new division. With forecast turnover in excess of £10 million within a year, the division will operate with highly sophisticated and successful management control systems and techniques.

Reporting to the Financial Director, the Controller will take responsibility for the total accounting function including systems, capital expenditure and planning. Initially supervising 5 staff, he or she will be heavily involved in business development. Aged 26-32 applicants should be qualified accountants with commercial experience. Please telephone or write to David Hogg quoting reference 1/1689.

EMA Management Personnel Ltd.
Bume House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

Career Opportunity in International Finance

The Challenge:

The INTERNATIONAL FINANCE CORPORATION, the affiliate of the WORLD BANK promoting the private sector in developing countries, is seeking highly qualified individuals willing to accept the challenging opportunities of a career in international development.

The Job:

IFC Investment Officers identify and appraise proposed investments; negotiate and present proposals to the Board of Directors plus supervision of IFC investments, all within a multi-national and multi-disciplinary team.

Requirements:

Candidates should possess a relevant degree and have at least five years' financial or industrial experience in lending, funding or equity investments with management implications, preferably in developing countries. Involves frequent travel to assigned countries. Command of the English language essential and knowledge of French, Spanish, Portuguese or Arabic useful.

Benefits:

Competitive benefits package including relocation expenses on appointment and provision to maintain cultural ties with home country.

Please send resume quoting Ref. IFC-78-01203 to:

John H. Stewart, Senior Personnel Development Officer,
International Finance Corporation, 1818 H Street N.W.,
Room D-346, Washington, D.C. 20433, U.S.A.



INTERNATIONAL
FINANCE
CORPORATION

Assistant
Company Secretary

c. £8,500 + car

The Secretarial Department of this substantial British public company provides a broad professional service to Group Headquarters and the operating divisions worldwide. This London based appointment will involve work on corporate secretarial, Stock Exchange and related matters, as well as the secretarial duties of a number of management committees and U.K. subsidiaries. Acting for the Secretary in his absence and undertaking a wide range of special projects, will also be important features of the duties. Reporting to the Group Secretary, this post offers excellent career development to someone in the late 20's or early 30's, either in this field or elsewhere in the group management

structure. A professional or graduate qualification is expected, and candidates should have some years experience in a quoted company. Salary around £8,500 p.a. with a car and other benefits provided.

PA Personnel Services Ref:

AA26/6368/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6860 Telex: 27874



A member of PA International

District
Agency Manager
financial services

Save & Prosper Services Limited has a vacancy in its London Branch for a District Agency Manager. The person filling this position will be responsible for the sales development of established agency connections in Surrey and key centres in Berkshire and Hampshire.

Save & Prosper Services Limited is the company set up by Save & Prosper Group to provide information and guidance to professional advisers on its wide range of personal financial services.

Applicants must be experienced in the fields of investment and life assurance planning and be familiar with the agency market. This is an important position requiring a high degree of self motivation and the ability to communicate at all levels. The job offers an attractive salary, incentive bonus, company car and excellent employee benefits.

Applications, which will be treated in strictest confidence, should include brief career details and should be submitted in writing to I.S. McCallum, London Branch Manager, Save & Prosper Services Limited, 4 Great St. Helens, London EC3P 3EP.

SAVE & PROSPER GROUP

DAR AL-HANDASAH
CONSULTANTS

(Shair & Partners (U.K.) Ltd.)

Dar Al-Handasah Consultants, a multi-disciplinary consultancy whose services include the preparation of engineering and architectural designs, town and regional plans and project formulation and evaluation for a wide variety of clients in the Middle East and Africa, offers the following appointments:

- (1) Senior Economic Consultant,
£7,000 p.a. upwards
- (2) Economic Consultant,
£5,000 p.a. upwards

The work will involve the preparation of feasibility studies for industrial, agricultural and urban projects, and the provision of economic forecasts. A good degree in Economics or a related subject is required. Applicants will be expected to provide evidence of competence in the preparation of reports, and should be willing to travel. Previous consultancy experience is desirable, and a knowledge of French or Arabic would be advantageous. The above positions offer attractive working conditions and benefits including 4 weeks' annual holiday, company pension scheme, free medical insurance, luncheon vouchers, and incentive allowances for overseas visits.

Applications should be submitted, together with a current curriculum vitae and photocopies of written work, before 30th April to:

The Managing Director,
Dar Al-Handasah Consultants,
(Shair & Partners (U.K.) Ltd.)
91, New Cavendish Street,
London W1M 7FS.

Treasury Management

Central London c.£7,000

The Rank Organisation is a diverse international company with a turnover in excess of £400 million, with important interests in manufacturing, service and the entertainment industries.

Following the appointment of a Group Treasurer a year ago, the opportunity has arisen for an Assistant to join the central Group Treasury function, to assist the Group Treasurer in cash management, leading capital control and foreign exchange management, including the optimum use of the existing cash resources and the forecasting of future requirements both in the U.K. and overseas.

The successful candidate will be expected to make an immediate contribution to the financial management of the Group, be able to advise and assist Group companies on cash management and foreign exchange, become involved in wider aspects of corporate financial management and demonstrate an ability to take on increased responsibilities in a relatively short time.

Based on the executive offices in Central London, conditions of employment are competitive with those of other major industrial groups.

Please apply in writing giving full details of relevant qualifications and experience to:

Mrs. V. Apps,
Central Services Personnel Manager,
The Rank Organisation,
11 Hill Street, London W1.

THE RANK ORGANISATION

BANKING

Executive Opportunities
in Birmingham
for a

MANAGER & ACCOUNTANT

A large International Banking Group will shortly be opening a new branch in the centre of Birmingham which will provide modern facilities for staff and a full range of services for both corporate and personal banking customers.

We are seeking two senior executives with extensive international banking experience to assist initially with the setting up of the new branch and to take over subsequently as manager and accountant respectively the administration and development of its business.

Although salaries largely depend on ability and experience, they will be above average and will include valuable fringe benefits including access to a generous housing loan scheme.

Applications, together with a detailed C.V., should be forwarded in confidence to:

I. C. Menzies Esq.
PO Box 93, Edinburgh EH2 1HQ

Managing Director
(Designate)
Housebuilding-South East

Bellway Holdings Limited, a Public Company, principally involved in the private residential sector, requires a Managing Director (Designate) for a wholly-owned subsidiary based in Surrey.

The Company is seeking a person with proven ability in the building industry. Remuneration and benefits will be those normally associated with a senior appointment. Applicants should be earning not less than £10,000 per annum at a senior executive level.

Curriculum Vitae to:

The Company Secretary
Bellway Holdings Limited
Dobson House Regent Centre
GOSFORTH
Newcastle upon Tyne
NE3 3LT

BUCKMASTER
& MOORE

To those seeking
Career Advancement

If you are involved with the Stock Market... then you already know Buckmaster & Moore. But what you may not yet know is that our expansion programme has created a number of excellent opportunities, at various levels, within our Institutional (Equities and Gifts) and Private Clients Departments.

During the next two months, in these pages, we will be announcing further details of these opportunities - so, if you are interested in a position offering wider career scope with the corresponding rewards - look out for our further advertisements.

Gerry Risdon, Administration Partner

Buckmaster & Moore

The Stock Exchange, London EC2P 2JT

Telephone: 01-588 2868

Financial Controller

Main Board Director c.£15,000 plus car

The Woodhouse & Poxon Group, a public company, is one of Sheffield's leading large masters and engineering companies. Its growth and profit record over the last decade is enviable, and its management team is young.

The board wishes to appoint a tough uncompromising Chartered Accountant (preferably an MBA with US experience) who can demonstrate from experience the difference between the role of Chief Accountant and that of Financial Controller. The career of the successful candidate will have been spent in a number of companies and will have included direct responsibility for all accounting functions. Experience of having initiated and

implemented tight systems of budgetary control is essential. Experience is also sought in the formulation of corporate financial strategy, capital manipulation, funding of major capital expenditure, acquisition evaluation and ideally a broad knowledge of international finance.

The appointment offers an unusual opportunity to enjoy working in an untrammelled environment, where the limits to personal progress are imposed only by the constraints of the individual. Age limits are set between 33 and 43. A suitable car is provided and there are the usual fringe benefits including generous help on any removal costs. Salary negotiable around £15,000.



Brief applications showing how each requirement is met should be addressed to: The Chairman, Woodhouse & Poxon (Holdings) Limited, P.O. Box 74, Bessemer Road, Sheffield, S9 3XS.

INVESTMENT ANALYST
LONDON WC2 £5/6,000

Confederation Life wishes to appoint an investment analyst to complement its successful investment management team.

The analyst will provide support monitoring the portfolio, making recommendations and identifying new investment opportunities. The usual back-up is available, including the output the city provides, but the successful candidate will also be expected to initiate internal research. The Company approach is one of fundamental value analysis.

The Company invites applications from analysts with one to three years experience, preferably with a degree in economics or business studies and/or an equivalent professional qualification. The successful candidate will be a well organised self starter.

The salary will be in the range £5,000-£6,000, depending upon experience, together with an attractive package of benefits. Apply:

Mr. S.H. Martin, O.B.E., Personnel Manager,
Confederation Life Insurance Company,
Confederation Life House,
50 Chancery Lane, London WC2A 1HE
(Telephone: 01-242 0282)

Confederation Life

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

FOREIGN EXCHANGE DEALER -
LUXEMBOURG

£10,000+

Our client, an international bank, seeks an experienced dealer, with good deposit dealing experience for a post in Luxembourg. Good French and/or German language ability is required. Contact: David Grove

FOREIGN EXCHANGE & STERLING BROKERS

Prominent brokers seek experienced dealers and trainees. Language ability in French and/or German is sought in the foreign exchange area where the salary for an experienced broker would be in the region of £10,000. Both interbank and commercial sterling brokers are sought and attractive salaries are offered in each case depending on experience. Contact: David Grove

LOCAL AUTHORITY DEALERS

We seek experienced local authority brokers to join a City Broking Firm. Attractive salary and good prospects are offered to candidates with 1-2 years experience. Contact: Mike Pope

170 Bishopsgate London EC2M 4LX 01-6231266/7/8/9

Director

International Finance and Administration
West London £15,000-£20,000

If you have a recognised management record with an international company or accountancy firm, or have moved from accountancy into an international role within industry, we are offering a responsible and satisfying appointment. This is a very senior position with all the duties of a Financial Director and including developing computerised systems for subsidiary companies, work simplification procedures and written financial policy procedures.

The Financial Director will also be expected to establish and maintain a forecasting system, interface with corporate finance and set up new administrative control system; in addition to making financial policy appraisals, reports and audits.

We are looking for a Chartered Accountant (preferably speaking French or German). Capable of self-motivation as well as motivating others. We need a practical man or woman, mature, confident, with an outgoing personality.

Qualified applicants should send a *résumé* including salary and history, in confidence to Box A No. 6320 Financial Times 10 Cannon Street London EC4P 4BY.

Financial Controller

Salary negotiable Zambia

The National Import and Export Corporation is one of Zambia's most important tools in stimulating the growth of its trade internally and with other countries. Against this, the appointment of a Financial Controller requires an individual whose practical ability and experience is matched by considerable communication skills.

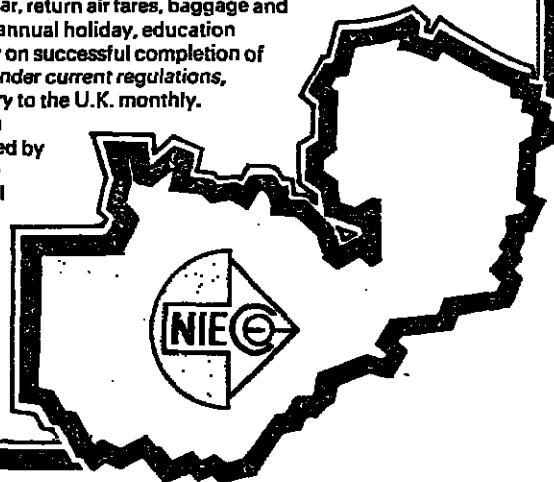
You will take in hand all the Corporation's financial resources, ensuring that subsidiaries expenditures are controlled within the policy of the Board of Directors and preparing accounts for submission to shareholders. This will further involve the development of accounting practices throughout the group, actively participating in the training of accounting staff and advising the Managing Director on all financial matters.

You will also be involved with top level discussions with Ministries, other Zambian Corporations, Bank Officials and foreign industrial companies.

Aged 35 and over and possessing appropriate accountancy qualifications, you will have at least 5 years' experience in accountancy at this level including administrative responsibilities.

An attractive salary will be negotiated and a first class package of benefits includes free furnished accommodation, free medical service, free non-contributory life assurance scheme, company car, return air fares, baggage and settling-in allowances, six weeks annual holiday, education allowance/passages, 25% gratuity on successful completion of initial 3 year contract period and, under current regulations, remittance of one-third of the salary to the U.K. monthly. Zambia offers an ideal climate with magnificent surroundings enhanced by game parks and easy access to the Victoria Falls. Please write with full personal and career details to:-

Recruitment & Administration Manager,
Zimco Services Limited,
Zimco House,
129/139 Finsbury Pavement,
London EC2A 1NA



International Auditors Travel-UK, Europe, Africa

London SW1

£6,000 - £7,000 p.a.

Phillips Petroleum is an international organisation with worldwide interests in oil, gas and chemicals. The Europe-Africa division of the company is a major operator in North Sea Oil and gas exploration and production.

We need self-motivated individuals to join our expanding internal auditing team responsible for conducting financial, operational, joint venture and EDP audits within our natural resources, petroleum products and chemicals operations. London based - assignments will necessitate extensive travel (may amount to 50 per cent), primarily within Europe.

Applicants should be Chartered Accountants, male or female, preferably aged 25-30. Knowledge of a

European language would be advantageous.

Benefits include 4 weeks holiday, pension scheme, generous sick pay, free life assurance, BUPA (reduced rate group scheme). Write with brief personal and career details (including salary progression) to date or telephone for an application form which should be returned to:

Phillips Petroleum Recruitment Officer,
Phillips Petroleum Company Europe-Africa, Portland House, Stag Place,
London SW1E 5DA.
Telephone 01-828 9766
Extn. 463 or use our 24 hour answering service on 01-828 2983. Please quote reference P125.



Branch Manager

Banking

South-East Asia

Our client, a European commercial bank with branches throughout South-East Asia, is presently seeking an experienced senior executive to assume the position of Manager in one of its important branches in the region.

Qualifications:

- * Successful track record as branch manager with a major commercial bank.
- * Working experience in an international environment, preferably in Asia.
- * Ability to organize and direct the activities of an overseas branch, motivate local staff, expand operations and enhance profitability.

Remuneration will be negotiable and commensurate with the high standards and experience required. Fringe benefits are of top expatriate standard.

Ref: A8612 FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to the Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

مكتبة المجلد

Controller

to £12,500

Leicestershire

plus car

A successful U.K. engineering company with a nine-figure turnover in capital goods, seeks a financial controller. He or she will be responsible to the finance director for most aspects of finance (excluding treasury and routine accounting) in a diverse, well-delegated group. The emphasis is on commercial intelligence and management information.

Candidates should ideally be around 35 (30 and 45 are the extremes) with senior experience in an autonomous manufacturing profit centre. "Pure accountants" would be inappropriate. Accountants, engineers or MBAs demonstrating wider business experience would. Prospects are not confined to the finance function.

For a fuller job description write to John Courts & Partners Ltd, Selection Consultants, 78 Wigmore Street, London W1R 8DQ, demonstrating your relevance briefly but explicitly and quoting reference 7009/FT.

JC&P

STORES AND PURCHASING COORDINATOR NIGERIA

We require immediately a person to fill the above position in a cement factory under construction in Nigeria.

In addition to having overall charge of the purchasing function, the larger part of the successful candidate's time will be spent in the establishment of a fully integrated and possibly computerised stores system for a Spare Parts Store, which will contain an estimated 20,000 items.

Candidates must possess either good experience in Stores procedures, particularly on the accounting side, or hold a recognised accounting qualification.

Experience in the cement industry and/or overseas would be a distinct advantage.

Remuneration will be in the region of £14,500 sterling and generous benefits include one month's home leave every five months, free housing, education allowances, pension scheme, etc.

Applications should be made in the candidates' own handwriting and sent to:

CEMENTIA HOLDING A.G.,
Nueschelerstrass 45,
CH-8001, Zurich,
SWITZERLAND.

W.I.C. Carr, Sons & Co.

MEMBERS OF THE STOCK EXCHANGE
JAPANESE DEPARTMENT

INSTITUTIONAL SALES EXECUTIVE AND ANALYST

A Sales Executive and an Analyst are required to join our London-based Japanese Department which—backed by our Tokyo and Hong Kong offices—services a wide range of Institutional Clients in both the U.K. and Europe.

These positions offer an exciting opportunity for the right applicants to join an experienced team specialising in this increasingly important market.

Apply with curriculum vitae to:-

Richard Bradley,
W. I. Carr, Sons & Co.,
Ocean House,
10-12 Little Trinity Lane,
London EC4P 4LE.

FRUSTRATED EXECUTIVE?

If, like many managers and business executives, you are unable to assess yourself and your abilities objectively, you are bound to feel frustrated. You are likely to rate yourself too lowly, operate too narrowly, live with what you have achieved so far too readily. And to feel your career is not as successful as it should be.

Feeling frustrated isn't a sin — but failing to do something positive about it is. Especially as it is usually simply a matter of learning to manage your career.

We at Royston Ridgeway invite you to meet us for a confidential discussion on how you can achieve this. Your first interview will involve no cost or obligation to continue. Simply dial 01-638 3719, and ask for John Ball, or write to him at:-

Royston Ridgeway career managing people

Kent House, 87 Regent Street, London W.1.

ASSISTANT COMPANY SECRETARY SHIPPING

We require a young, energetic person to join our Shipbroking Company

Candidates, preferably under 30, should have a thorough knowledge of shipping and be either qualified or nearing the final stages of a recognised accountancy qualification. Responsibilities include the daily running of our mechanical accounts and post fixing department and it is vital that candidates have an ability to guide others. It is envisaged that the position of Company Secretary will become available in the next 12 months. Our modern offices are close to the City and working conditions excellent. Remuneration and other useful benefits will be in accordance with age and experience.

Please apply in writing to:
MR. G. L. NEDERPEL, MANAGING DIRECTOR
NED CHARTERING LIMITED
SUNLEY HOUSE, GUNTHORPE STREET, LONDON E1 7W

Industrial Investment 5-figure salary

The Industrial Investment Branch of a leading City institution, seeking to expand its direct investment in industry, requires a Senior Executive.

The post is responsible to the Directors for the complete investment cycle from initial appraisal to post investment monitoring.

Applicants should be professionally qualified. A sound record in corporate financing will be the main criterion supported by direct industrial experience.

The post, located in the City, will carry a 5-figure salary and is supported by excellent conditions of employment.

Please telephone (01-629 1844 at any time) or write — in confidence — in the first instance for a personal history form. R. L. H. Whitney ref. B.1849.

This appointment is open to men and women.

MSL Management Consultants
Management Selection Limited
17 Stratton Street London W1X 6DB

Group Financial Controller Central London

to join the Head Office management team of a £60m. turnover, diversified, British manufacturing Group, with a progressive record and commitment to continuing growth.

The new Controller will compile and present central control information and develop standards and methodology of management and financial accounting for four decentralised Divisions with over a dozen manufacturing sites in the UK and overseas.

Candidates, from age 30, must be qualified accountants, preferably chartered, with at least five years' post-qualifying experience — and a positive preference for the industrial environment and for close involvement in business decision-making.

Salary negotiable from £10,000; car; re-location help, etc. Career prospects are attractive.

Please telephone (01-629 1844 at any time) or write — in confidence — in the first instance for a personal history form. R. Town ref. B.1845.

This appointment is open to men and women.

MSL Management Consultants
Management Selection Limited
17 Stratton Street London W1X 6DB

You could become a highly-paid Merrill Lynch account executive dealing with international stocks and bonds.

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An opportunity has arisen for a qualified Accountant to join the management team of a young shipping and trading group with worldwide subsidiaries.

The need is for a qualified Accountant with broadly based business experience and some knowledge of shipping to work with a very small central team directly monitoring performance in all areas of the Group's business and acting thereon. The preferred age is 35/45.

Write Box A.6321, Financial Times, 10, Cannon Street, EC4P 4BY.

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A long established and successful company in a process industry, with a turnover in excess of £100m and wide overseas interests, is restructuring its central accounting function. The post of Financial Manager is being created as part of this reorganisation. Reporting to the Finance Director, the appointed candidate will concentrate initially on management accounting and management information systems. Thereafter there will be ample scope for broadening of responsibilities and it is anticipated that the successful applicant will succeed the present Finance Director within five years. Applicants, male or female, aged 38-45 should be F.C.A. or

F.C.M.A., with an emphasis on M.A. and computerised M.I.S. This will have been gained in medium to large sized companies in the chemical or allied industries. Salary is negotiable in the region of £12,500 and a car is provided. Location: Essex. PA Personnel Services Ref: AA3/6356/FT Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

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Accountant: around £7000

An opportunity exists to join one of the biggest UK pension funds. The successful applicant will be concerned principally in assisting in a newly established corporate finance function and should be familiar with company appraisal and project investment analysis. There will also be involvement in Company Secretarial and Accounting work. Candidates should be qualified accountants.

The post is located in the City. Salary will be circa £7000 and is supported by excellent conditions of service.

Please write with brief career details to:

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J. C. Trotman, Headquarters Staff Manager,
National Coal Board, Hobart House,
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Mars Security Limited is the trustee company for the Mars Limited Benefit Scheme and administers the company pension, sick pay, disability and life assurance funds. Funds under management exceed £60 million. The accountant's function is to maintain the accountancy records of these funds, to prepare monthly and annual financial statements and to assist the Managing Director in the investment activities of the company. This position would be ideally suited to someone who combines some financial accounting training with an interest in and knowledge of investment.

We are offering a starting salary of around £8,000 p.a.; a non-contributory benefit scheme

(which includes pension, sick pay and life assurance) and four weeks annual holiday. Mars Security Limited is based in Slough and financial assistance will be provided if relocation to the Thames Valley area is necessary.

Please write giving brief details of experience, qualifications and personal circumstances to: Chris Morgan, Personnel Department, Mars Limited, Dundee Road, Slough, Berks SL1 4BS.

Mars

Financial Controller

Watford

c£8,000+car

Savage Industries Limited, who manufacture a leading brand of adjustable shelving systems, seek a Financial Controller for their modern offices and factory in Watford. The company intends to expand its activities in the United Kingdom and the EEC during the next five years and this is a key appointment.

Reporting to a newly appointed Chief Executive he or she is to be responsible for the entire financial function with a strong emphasis on the provision of prompt monthly management accounts, cash flow and the monitoring of marketing subsidiaries in France, Belgium and Holland; and for all statutory and administrative duties of a Company Secretary.

This appointment will suit a qualified accountant aged between 30 and 40 ideally living within about 20 miles of Watford. Those with three years experience in a light engineering company who can speak French will have an advantage.

Initial salary is to be around £8,000 and a car is to be provided. A Board appointment can be expected in the medium term but this would depend upon the overall contribution to the company as well as performance in charge of the finance department.

Please write in confidence for a job description and an application form to: R.N. Orr, Price Waterhouse Associates, Southwark Towers, 32 London Bridge Street, London SE1 8SY, quoting MCS/3669.

Controller

West London

c £10,000

This U.K. distribution company is to be developed as the European arm of its U.S. parent organisation. A controller is now to be appointed with responsibility for the development and operation of all the supporting systems (financial, inventory, management and administrative) during this period of rapid growth and subsequently in the future development of the business.

Applicants should be qualified accountants who can demonstrate a successful track record, perhaps in a small company or in a distribution environment. It is essential that the Controller can cope with rapid growth, is familiar with stock management and data processing techniques, and is capable of running a small accounting department to high standards and under tight control.

Write for an application form to S. Hasketh, quoting Ref 7863.

AMS

Arthur Young
Management Services,
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Finance Director

c£10,000 + car
South Coast

A major engineering company, part of a British international group, has formed a new subsidiary with an initial turnover of £10 million and there is a requirement for the key position of Finance Director.

Responsibility will be to the director and general manager for the efficient operation and development of the finance function so that it can effectively contribute in practical terms to the attainment of the company's growth plan.

A qualified accountant is required with sympathy for things mechanical and with broad experience at senior line management level in a significant manufacturing exporting operation.

Age under 45. Salary negotiable around £10,000. Car provided. Location South Coast.

Please write in confidence for a job description and an application form to David Prosser, Price Waterhouse Associates, Southwark Towers, 32 London Bridge Street, London SE1 8SY, quoting MCS/3671.

FINANCIAL CONTROLLER

£20,000+

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Our client is a major Nigerian-based Construction Company located in Lagos and they are currently carrying out several major building projects, utilising a British pre-cast system. They require a construction orientated, qualified Accountant, aged 38+, who will have previous overseas experience with a major contractor. The appointed candidate will be responsible to the Managing Director and assume total responsibility for the financial control aspects of a company with a £40m. turnover and anticipated growth to £100m.

This will be an accompanied tour with the usual package of executive benefits attached.

Phone Brian Curtis on 01-549 6686 or write to:-

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There is a vacancy for a company news writer on the Times Business News. Applicants should have experience or particular interest in business journalism.

Please send full personal and career details to:

Desmond T. C. Hayes,
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Detailed application, in confidence, to:
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WATTS BLAKE BEARNE & CO. LTD.,
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The bank's current requirement calls for a banker with a background in credit and marketing, and a good knowledge of the energy sector. Preferably in your mid/late 20's, you will respond readily to a challenging business development role within a close-knit and professional team.

Career prospects are excellent for the successful applicant and the remuneration package will fully reflect the importance attached by the bank to this position.

Contact Norman Philpot in confidence
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U.K. Medium Engineering Company
Turnover £20m+

Midlands

£10,000 plus
bonus + car

Play a key role in managing, planning and co-ordinating the financial affairs of several operating Divisions • Assume responsibility for Performance Appraisal • Forecasting • Manufacturing Costing • Prove yourself competent to assume a key executive role.

Our Client: A dynamic Company, part of a substantial and highly successful speciality engineering group (turnover c.£80m). They are poised for a major investment and sales effort. The objective of this appointment is to permit and strengthen the growth and achievement of ambitious business plans.

Your Role: To assume control of the Financial Department (total staff of 50), with a management team comprising: A Company Secretary • Financial Controller • Management Services Manager • Divisional Management Accountants. To ensure that high standards are operated. To devise and implement systems which provide accurate, cohesive and timely information for budgets • forecasts • plans.

Generally to support the Managing Director in developing the business.

Your Background: A qualified Accountant, aged 32-40 with wide industrial experience.

gained ideally within an engineering environment. An accomplished track record as a Management Accountant with proven skills in appraisal techniques and management control.

A combination of • breadth of vision • co-ordinating skills • practised in communicating with and motivating others • unyielding professional standards... is required.

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Quote reference number 207

This appointment is open to male/female applicants.

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Preferred age under 40, attractive salary and profit sharing scheme.
Please reply in strictest confidence enclosing curriculum vitae to:

David Scroggie, Marketing Director
Piccadilly Financial Services Ltd
Wardgate House, 59a London Wall
London EC2M 5UA Tel. No. 01-638 0801

Accountant

Channel Islands

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c£8,000

Risk Management Limited, based in St Peter Port, Guernsey, provides a comprehensive range of services in risk management analysis and insurance advice for international, commercial and industrial clients. They seek an accountant to join a small highly skilled professional team.

Reporting to the managing director the new man or woman is to take early responsibility for financial and management accounts, local tax problems (after training) and the administrative duties of a company secretary. In addition there will be a unique opportunity to learn to contribute to a wide range of problem solving techniques in risk analysis and insurance for the company, clients and captive insurance companies.

This appointment will suit qualified accountants. A knowledge of insurance, a second language, company law, or international tax is desirable but not essential. Numerous graduates may have an advantage.

The remuneration package is to be based on a salary of at least £7,500 (less local tax at 30%) and could be made very attractive for appropriately experienced candidates. Future prospects could be outstanding, but would depend upon performance.

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aged about 30 who has decided to enter an entrepreneurial environment offering real opportunities in terms of satisfaction and reward. This position, which is London based, is with a private company budgeting for an eight figure turnover in 1978 and whose activities are primarily in the financial sector. In addition to your usual accountancy functions you would undertake a considerable commercial role within a small team whose decisions directly influence the activities of the company. Your salary and terms are negotiable. In the first instance please write with full details of your past and present employment and giving an outline of the reasons for your seeking this position. Write Box A.6223, Financial Times, 10, Cannon Street EC4P 4BY.

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Chartered Accountants (knowledge of Arabic) £25,000 p.a. tax free + free accom. & food etc. req. for American Civil Engineering Consulting Corp. Rush return to: Advance Personnel Services Ltd. (Aps) The White House, Lodge Road, London, NW4 or Tel: 01-203 4272 or Cable Headline London

FARMING AND RAW MATERIALS

France aids horsemeat production

By Our Commodities Staff
FRENCH FARMERS are to be given low-interest loans to encourage them to increase their output of horsemeat. A decree published yesterday by the Government allows them to build new slaughterhouses and expand their facilities.
The Ministry of Agriculture has said that at present production of horsemeat in France is only one fifth of consumption. Last year the bill for importing the remaining 80 per cent was £150m. (£35m).
As much as £100m is expected on sales of beef abroad (£50m).
Consumption of meat from horses has been increasing recently, and the Government is also helping producers and processors establish an inter-professional organisation and increasing grants to horse rearing to set up producer groups.

Cocoa prices fall sharply

By Our Commodities Staff
COCOA FUTURES prices fell sharply on the London market yesterday in what most dealers saw as a reaction against Tuesday's strong rise.
Heavy trading of the prompt futures position found few buyers in May cocoa registered a \$400,000 limit fall during the afternoon. The July quotation fell by the limit, reaching \$961 a tonne at one time, but later a late rally closed it at \$979 a tonne.
Dealers thought Tuesday's advance, which had been encouraged by rumours that an export shipper was in receipt of the needed permits for a cargo of cocoa beans, was leading to widespread speculation and a rise in the price.

EEC lamb plan

THE EUROPEAN COMMISSION said yesterday that its plans for placing a ban on lamb exports from the United Kingdom to other member states would be put into effect on May 1st.
The Commission said that the ban would be put into effect on May 1st, but that it would be subject to a review on May 15th.
The Commission said that the ban would be put into effect on May 1st, but that it would be subject to a review on May 15th.

High Court challenge to U.K. potato import ban

By CHRISTOPHER PARKES
A DUTCH vegetable exporter took on the British Government in the High Court yesterday over its ban on imports of "old" potatoes.
The company asked Mr. Justice Donaldson to declare the ban unlawful under the Treaty of Rome, but he granted instead a Government application for the case to be referred to the European Court of Justice.
It had been argued, the judge said, that the matter was so clear that it could be settled without troubling the Luxembourg court. "But I do not think it is at all plain," he said.
The company's argument is that the ban is discriminatory against Dutch producers. The Government's argument is that the ban is necessary to protect the health of the British population from a disease called "late blight".
The Government fears that the ban is necessary to protect the health of the British population from a disease called "late blight".

General fall in base metals

By OUR COMMODITIES STAFF
FORWARD PRICES of most base metals fell again on the London Metal Exchange yesterday. Three months' zinc closed £10 a tonne down at £204.50, after a rise to £205.50 on Monday.
Copper prices were also down, with three months' closing at £158.50, after a rise to £159.50 on Monday.
The fall in prices was attributed to a general lack of demand for base metals, and to the fact that many producers were still holding large stocks.

U.S. cuts Brazil soyabean estimate

THE U.S. AGRICULTURE Department has lowered its estimate of 1978 Brazilian soyabean production to 10.7m-10.8m tonnes, from 11.0m-11.1m tonnes.
The department said that the estimate was based on a report by a two-man team which returned on Saturday from a ten-day trip to Brazil to assess the crop.
The team found that the crop was smaller than expected, and that the weather had been poor in many areas.

Indian sales plan hits sugar

By Our Commodities Staff
WORLD MARKET sugar prices fell yesterday in response to news that India had authorised 300,000 tonnes of export from May onwards.
The morning's London daily raw sugar price was marked down £1 to £101 a tonne, and by the close the August position on the London futures market had slipped to £107.2 a tonne—£3.45 lower on the day.
The price drop was attributed to the fact that India was expected to export more sugar than it had in previous years.

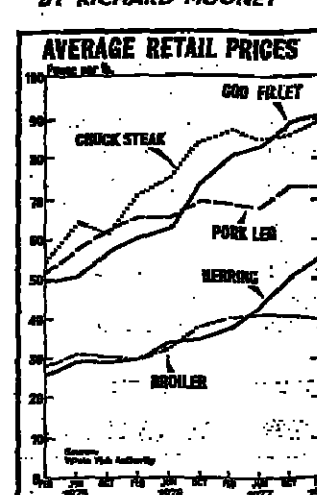
Tea exports may be raised

By Our Own Correspondent
CALCUTTA, April 12. INDIA will raise the "ceiling" on tea exports from 225m kilos to over 250m kilos during the current year, it was learnt yesterday.
The Minister in charge of tea exports, Mr. Mohan Dhar, said that the Government was considering raising the ceiling to 250m kilos, and that it was likely to do so in the near future.

Food price inflation

Fish losing ground to cheaper meats

By RICHARD MOONEY
THE RATE of inflation in U.K. retail fish prices slowed dramatically in the four months to last February, but prices continued to rise faster than those of competing meat products.
In its February review of the U.K. fish market, published yesterday, the White Fish Authority said that cod fillets had increased in price by only 1 per cent since October and were only 13 per cent dearer than a year earlier.
But with beef prices rising only 3 per cent, over the year, and lamb prices only 8 per cent, the gap between fish and meat prices was widening.
The White Fish Authority said that the price of cod fillets was 18 pence per lb, compared with 17 pence a year ago.



Cyclone Alby hits apple crop

By A CORRESPONDENT
CYCLONE ALBY, which swept Western Australia a week ago, has caused severe damage to apple crops there. About 9,000 acres of orchards have been destroyed, and the loss is estimated at 300,000 bushels.
The cyclone hit the orchards at a critical time, just as the apples were beginning to ripen. The damage was caused by the high winds and heavy rain, which knocked the trees over and destroyed the fruit.
The loss is a severe blow to the apple industry in Western Australia, which has been struggling with a decline in production in recent years.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

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LEAD—Lard spread on the London market. Exports as forward metal fell on \$74 to a low for the day of \$70. Appointment with the Comex performance overnight led to general liquidation.

... (text continues with various metal prices and market commentary) ...

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| 5.75 | 5.92 | 5.77 | 5.75 | 5.76 | 6 |
| 166.80 | 16.99 | 16.86 | 17.31 | 16.60 | 16 |
| 8.21 | 8.12 | 8.18 | 8.17 | 8.50 | 8 |
| 3.344 | 4.662 | 4.971 | 5.984 | 4.844 | 4 |
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 Elmer's Casino
 Services Hambo
 Bilton (P)
 The Big House
 British Land
 Do. 12th Cir.
 Capital and Counties
 Centralindia
 Do. Cap.
 Chesterfield
 Anglo-Pruss Estates
 Country & New Town
 England Prop.
 Do. 12th Cir.
 Do. 12th Cir.
 Furness Withy
 Weara
 Corak
 Continental 7pc
 Leda Int'l
 Burnah

PROPERTY
 Eucalyptus
 Evans of Leeds
 Esso Portland Co.
 Langford
 Lang Investors
 Lang Ltd.
 Do. 5th Cir.
 Lee Ltd.
 Lynton Holdings
 MPEC
 Mervin
 Somerset Prop.
 Mervin
 Do. 10th Cir.
 Stock Cornerstone
 Do. 12th Cir.
 Warner Estates
 SHIPPINGS
 Reardon Smith
 SMOKE (I)
TEXTILES (2)
 Corals
 Continental 7pc
 TINTS (2)
 Do. G. & H. G. H. G.
 OILS (1)

RISES AND FALLS
WEDNESDAY

| YESTERDAY | | Up | Down |
|------------------------|----|----|------|
| British Funds | 1 | 2 | 24 |
| Corps. Bonds and | 1 | 1 | 53 |
| Foreign Bonds | 2 | 1 | 1 |
| Industrials | 13 | 5 | 32 |
| Financial and Prop. .. | 5 | 2 | 1 |
| Oil | 1 | 1 | 1 |
| Plantations | 3 | 1 | 1 |
| Mines | 14 | 4 | 1 |
| Recent Issues | 1 | 1 | 1 |
| Totals | 23 | 23 | 37 |

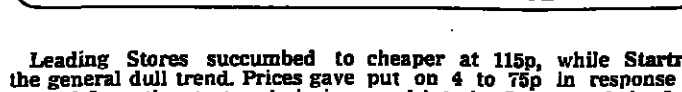
| Cal. (net) corp. | Apr. 11 | Apr. 10 | Apr. 9 | Apr. 8 | Apr. 7 |
|------------------|-----------|-----------|-----------|-----------|-----------|
| Index No. | Index No. | Index No. | Index No. | Index No. | Index No. |
| 203.81 | 202.88 | 204.02 | 204.78 | 163.82 | 163.82 |
| 184.49 | 183.50 | 184.34 | 183.82 | 163.82 | 163.82 |
| 321.58 | 323.21 | 324.68 | 324.00 | 163.82 | 163.82 |
| 328.09 | 324.60 | 328.98 | 325.75 | 163.82 | 163.82 |
| 292.77 | 291.24 | 292.57 | 292.85 | 163.82 | 163.82 |
| 162.42 | 161.76 | 162.59 | 162.79 | 163.82 | 163.82 |
| 165.13 | 164.41 | 164.57 | 164.19 | 163.82 | 163.82 |
| 386.43 | 387.96 | 388.51 | 388.51 | 163.82 | 163.82 |
| 221.82 | 221.75 | 221.88 | 221.87 | 163.82 | 163.82 |
| 217.43 | 217.07 | 216.76 | 216.45 | 163.82 | 163.82 |
| 219.95 | 219.06 | 218.42 | 218.13 | 163.82 | 163.82 |

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|----|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 07 | 162.82 | 163.09 | 164.07 | 164.79 | 165.78 | 167.00 | 168.44 | 170.00 | 171.75 | 173.67 | 175.75 | 177.97 | 180.33 | 182.83 | 185.47 | 188.25 | 191.17 | 194.23 | 197.43 | 200.77 | 204.25 | 207.87 | 211.63 | 215.53 | 219.57 | 223.75 | 228.07 | 232.53 | 237.13 | 241.87 | 246.75 | 251.77 | 256.93 | 262.23 | 267.67 | 273.25 | 278.97 | 284.83 | 290.83 | 296.97 | 303.25 | 309.67 | 316.23 | 322.93 | 329.77 | 336.75 | 343.87 | 351.13 | 358.53 | 366.07 | 373.75 | 381.57 | 389.53 | 397.63 | 405.87 | 414.25 | 422.77 | 431.43 | 440.23 | 449.17 | 458.25 | 467.47 | 476.83 | 486.33 | 495.97 | 505.75 | 515.67 | 525.73 | 535.93 | 546.27 | 556.75 | 567.37 | 578.13 | 589.03 | 599.97 | 610.93 | 621.93 | 632.97 | 644.03 | 655.23 | 666.57 | 677.93 | 689.43 | 700.97 | 712.63 | 724.43 | 736.37 | 748.43 | 760.63 | 772.97 | 785.43 | 797.93 | 810.53 | 823.23 | 836.03 | 848.93 | 861.93 | 875.03 | 888.23 | 901.53 | 914.93 | 928.43 | 941.93 | 955.53 | 969.13 | 982.83 | 996.53 | 1010.33 | 1024.13 | 1038.03 | 1051.93 | 1065.93 | 1080.03 | 1094.13 | 1108.33 | 1122.53 | 1136.83 | 1151.13 | 1165.53 | 1179.93 | 1194.33 | 1208.83 | 1223.33 | 1237.93 | 1252.53 | 1267.13 | 1281.83 | 1296.53 | 1311.33 | 1326.13 | 1341.03 | 1355.93 | 1370.93 | 1385.93 | 1401.03 | 1416.13 | 1431.33 | 1446.53 | 1461.83 | 1477.13 | 1492.53 | 1507.93 | 1523.43 | 1538.93 | 1554.53 | 1570.13 | 1585.83 | 1601.53 | 1617.33 | 1633.13 | 1649.03 | 1664.93 | 1680.93 | 1696.93 | 1713.03 | 1729.13 | 1745.33 | 1761.53 | 1777.83 | 1794.13 | 1810.53 | 1826.93 | 1843.43 | 1859.93 | 1876.53 | 1893.13 | 1909.83 | 1926.53 | 1943.33 | 1960.13 | 1977.03 | 1993.93 | 2010.93 | 2027.93 | 2045.03 | 2062.13 | 2079.33 | 2096.53 | 2113.83 | 2131.13 | 2148.53 | 2165.93 | 2183.43 | 2200.93 | 2218.53 | 2236.13 | 2253.83 | 2271.53 | 2289.33 | 2307.13 | 2325.03 | 2342.93 | 2360.93 | 2378.93 | 2397.03 | 2415.13 | 2433.33 | 2451.53 | 2469.83 | 2488.13 | 2506.53 | 2524.93 | 2543.43 | 2561.93 | 2580.53 | 2599.13 | 2617.83 | 2636.53 | 2655.33 | 2674.13 | 2693.03 | 2711.93 | 2730.93 | 2750.03 | 2769.13 | 2788.33 | 2807.53 | 2826.83 | 2846.13 | 2865.53 | 2884.93 | 2904.43 | 2923.93 | 2943.53 | 2963.13 | 2982.83 | 3002.53 | 3022.33 | 3042.13 | 3062.03 | 3081.93 | 3101.93 | 3121.93 | 3142.03 | 3162.13 | 3182.33 | 3202.53 | 3222.83 | 3243.13 | 3263.53 | 3283.93 | 3304.43 | 3324.93 | 3345.53 | 3366.13 | 3386.83 | 3407.53 | 3428.33 | 3449.13 | 3469.93 | 3490.83 | 3511.73 | 3532.73 | 3553.83 | 3574.93 | 3596.13 | 3617.33 | 3638.53 | 3659.83 | 3681.13 | 3702.53 | 3723.93 | 3745.43 | 3766.93 | 3788.53 | 3809.13 | 3830.83 | 3851.53 | 3872.33 | 3893.13 | 3914.03 | 3934.93 | 3955.93 | 3976.93 | 3998.03 | 4019.13 | 4040.33 | 4061.53 | 4082.83 | 4104.13 | 4125.53 | 4146.93 | 4168.43 | 4189.93 | 4211.53 | 4233.13 | 4254.83 | 4276.53 | 4298.33 | 4320.13 | 4342.03 | 4363.93 | 4385.93 | 4407.93 | 4429.93 | 4452.03 | 4474.13 | 4496.33 | 4518.53 | 4540.83 | 4563.13 | 4585.53 | 4607.93 | 4630.43 | 4652.93 | 4675.53 | 4698.13 | 4720.83 | 4743.53 | 4766.33 | 4789.13 | 4812.03 | 4834.93 | 4857.93 | 4880.93 | 4904.03 | 4927.13 | 4950.33 | 4973.53 | 4996.83 | 5020.13 | 5043.53 | 5066.93 | 5090.43 | 5113.93 | 5137.53 | 5161.13 | 5184.83 | 5208.53 | 5232.33 | 5256.13 | 5280.03 | 5303.93 | 5327.93 | 5351.93 | 5376.03 | 5400.13 | 5424.33 | 5448.53 | 5472.83 | 5497.13 | 5521.53 | 5545.93 | 5570.43 | 5594.93 | 5619.53 | 5644.13 | 5668.83 | 5693.53 |
|----|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|

| | 25 years..... | 20 years..... | 15 years..... | 10 years..... | 5 years..... | 1 year..... |
|------|---------------|---------------|---------------|---------------|--------------|-------------|
| 1965 | 10.21 | 11.91 | 13.62 | 15.32 | 17.02 | 18.72 |
| 1966 | 11.58 | 13.28 | 14.98 | 16.68 | 18.38 | 20.08 |
| 1967 | 11.99 | 13.69 | 15.39 | 17.09 | 18.79 | 20.49 |
| 1968 | 12.72 | 14.42 | 16.12 | 17.82 | 19.52 | 21.22 |
| 1969 | 12.92 | 14.62 | 16.32 | 18.02 | 19.72 | 21.42 |
| 1970 | 12.55 | 14.25 | 15.95 | 17.65 | 19.35 | 21.05 |
| 1971 | 10.76 | 12.46 | 14.16 | 15.86 | 17.56 | 19.26 |

... constituent changes are published in advance
by the Financial Times, Watson, Nassau, Con-

[illegible]

| | to date | 8 | 23 years | 11.93 | 10.62 | 9 |
|------|---------|------------------|----------|-------|-------|----|
| | 2.90 | 4 Medium | 5 years | 10.21 | 10.62 | 9 |
| | 2.07 | 6 Coupons | 15 years | 11.58 | 11.49 | 12 |
| | 2.07 | 6 | 25 years | 11.99 | 11.49 | 12 |
| 0.18 | 4.41 | 7 High | 5 years | 10.72 | 10.50 | 18 |
| | 1.78 | 8 Coupons | 15 years | 12.32 | 12.11 | 22 |
| | 1.78 | 8 | 25 years | 12.55 | 12.58 | 23 |
| 0.07 | 3.25 | 10 Irredeemables | | 10.76 | 10.61 | 32 |

| | | | | | | | |
|----|------|------|------|----|----|------------|----|
| 62 | P.P. | 30.8 | 10/5 | 84 | 75 | Wilmington | 84 |
|----|------|------|------|----|----|------------|----|

Reorganization date usually last day for clearing free of stamp duty.
 based on prospectus estimate.
 cover based on prospectus estimate of earnings.
 or other official estimates for 1933.
 for conversion of shares not now ranking for dividend or ranking only for restricted dividends.
 by way of capitalization.
 in compliance with reorganization order.
 or partly-paid allotment balance.

| | | Index No. | Yield % | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 |
|----|------------------------------|--------------|------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 15 | 20-yr. Red. Deb & Loans (15) | 60.07 | 12.86 | 60.44 | 60.44 | 60.41 | 60.37 | 60.75 | 60.75 | 60.73 | 60.72 | 60.72 | 60.72 | 60.72 | 60.72 |
| 16 | Investment Trust Prefs. (15) | 56.14 | 12.69 | 55.92 | 55.16 | 55.57 | 56.57 | 56.11 | 56.11 | 56.11 | 56.07 | 56.07 | 56.07 | 56.07 | 56.07 |
| 17 | Coml. and Indl. Prefs. (20) | 73.01 | 12.55 | 72.59 | 72.51 | 72.09 | 73.15 | 73.79 | 73.79 | 73.75 | 73.75 | 73.75 | 73.75 | 73.75 | 73.75 |

* Redemption yield. Highs and lows record, base dates and values and commitment charges are published in *Sovereign's* *Investment* section. A new list of the commitments is available from the Publishers, the Financial Times, Waterloo House, Cannon Street, London, E.C4P 4BY, price 15s. by post 22s.

OFFSHORE AND OVERSEAS FUNDS

Financial Securities (C.I.) Limited
 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 91

NOTE

Prices do not include \$ premium, except where indicated, and are in pence unless otherwise indicated. Yield, % shown in last column, allows for all buying expenses. * Offered prices include all expenses. † Offerer's prices are * Yield based on offer price. ‡ Estimated. § 70-day opening price. ¶ Distribution fees of 1.5% have. ** Periodic premium insurance plans. † Single premium insurance. † Offered prices includes all expenses except agent's commission. † Offered price includes all expenses if bought through intermediaries. † Previous day's price. † Net of tax on realized capital gains unless indicated by †. † Quermay gross. † Suspended. † Yield before Jersey tax. † Ex-subdivision.

| CLIVE INVESTMENTS LIMITED | |
|---|--------------|
| 1 Royal Exchange Ave., London EC3V 3LU. Tel. | 01-283 1101. |
| Index Guide as at 11th April, 1978 (Base 100 at 14.1.77.) | |
| Clive Fixed Interest Capital | 132.70 |
| Clive Fixed Interest Income | 119.88 |

GURAL TEL: Close 455-460

| INSURANCE BASE RATES | |
|---|-------|
| † Property Growth | 8 % |
| † Vanbrugh Guaranteed | 7.50% |
| † Address shown under Insurance and Property Bond Table | |

FINANCE, LAND—Continued[illegible]

| | | | |
|--------------------|-----|-----------------|-----|
| Saints & Riches | | Alliance Gas | 65 |
| Shaw's F.W. 7-10p. | 57 | Arnott | 290 |
| Shelley | 57 | Ashurst (P.J.) | 82 |
| Ship Force | 67 | Cloondal | 91m |
| Finlay Fing. Sp. | 2nd | Concrete Prods. | 128 |
| Hillside Shdp. Co. | 150 | Heblon (Hidge) | 65 |
| Hobart Bros | 30 | Iris Corp. | 188 |
| L.O.M. Stn. E.I. | 147 | Pish Rope | 132 |
| Holt (Jos.) Sp. | 255 | Jacob | 65 |
| Muz. Goldsmith | 173 | Sunbeam | 2nd |
| Nelson (C. H.) | 15 | T.M.G. | 175 |
| Peat Moss | 132 | Undere | 75 |
| Sheffield Brick | 46 | | |

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